

WATER QUARTERLY

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

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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.

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

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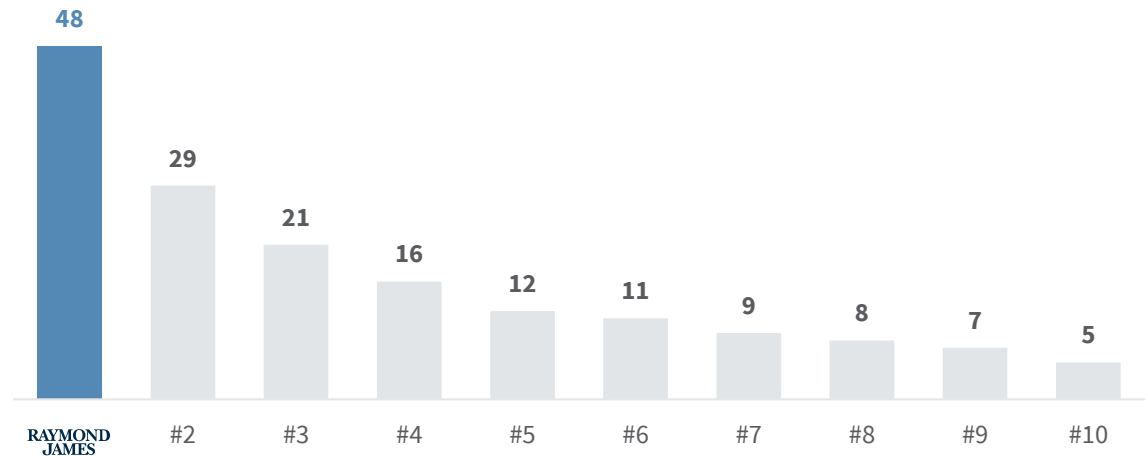
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#1 GLOBAL WATER INVESTMENT BANK⁽¹⁾

COMPLETED TRANSACTIONS SINCE 2016



RAYMOND JAMES WATER COVERAGE UNIVERSE



Agriculture



Engineered Solutions



Flow Control



Infrastructure



Pool & Spa Aquatics



Smart Tech



Specialty Chemicals



Treatment



Utilities



Water Distribution

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

SECTION 01

Contribution Corner



U.K. Water Market: Preparing for AMP8

Contribution Corner:



U.K. Water Market: Preparing for AMP8

The UK municipal water and wastewater market, specifically England and Wales, is unique in Europe in that it revolves around regional, privatized monopolies and a 5-year cycle structure for investment in the context of a larger 25-year delivery strategy. The 17 water and wastewater utilities answer to a national economic regulator—Ofwat—in charge of overseeing the industry in the interests of consumers.

In October 2023, the English and Welsh water and wastewater utilities submitted to Ofwat their business plans for the next asset management plan (AMP) period. This eighth investment cycle since the privatization of the sector in 1989 will start in April 2025 and will run through to March 2030. AMP8 is the most aggressive cycle to date, totaling over GB£96 billion in proposed capital and operational expenditures, nearly doubling investment levels from the current cycle (AMP7, 2020-2025, GB£51 billion at the regulator’s final determination).

The UK water market is bracing for a boost in spending; water quality, digital technology, and resiliency are at the core of AMP8 investments.

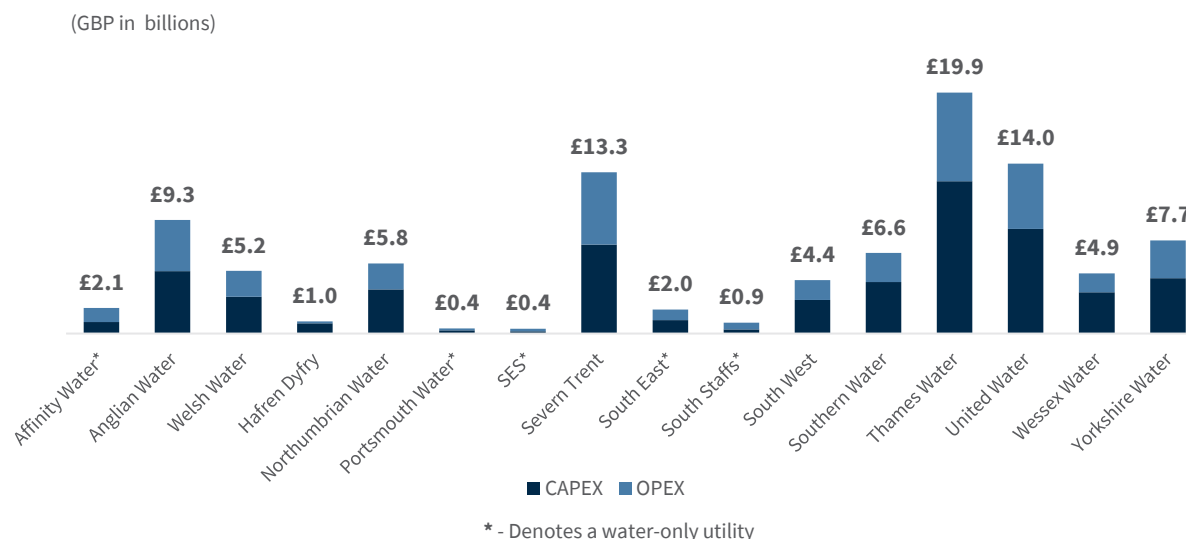
Over the last few years, English and Welsh utilities have faced a wave of unprecedented public protests and regulatory scrutiny pressure over a number of under-performances on both the water and wastewater fronts. Leakage and pollution incidents such as sewer overflows have drawn the most public outrage. According to Ofwat, English and Welsh water companies lost an average of 2,923.8 million liters of water per day in 2021, equating to 1.06 trillion liters over year, and discharged raw sewage into English waters 372,533 times over the same period.

In September 2023, Ofwat requested utilities to return an overall GB£114 million to customers in underperformance payments for the year 2022/23. Consequently, proposed AMP8 investments will tackle priority issues, including the reduction of

pollution incidents and spills notably through infrastructure spend to expand the wastewater network capacity. The preservation of water resources is also at the core of plans, through continuous leakage and per capita consumption reduction, as well as carbon emissions reduction goals which are fueling sustainability efforts. Other planned infrastructure investments focus on the development of reservoirs to increase resilience, the renewal and rehabilitation of a number of aging assets. Finally, digital investments will continue to form the backbone of the market, as utilities leverage cutting-edge monitoring and analytics to meet regulatory targets, along with massive roll-outs of smart meters.

In the preparation of AMP8, the regulator asked water companies to set their own performance

AMP8 Proposed Investments



U.K. Water Market: Preparing for AMP8 (cont.)

targets for regulated areas (e.g., leakage level, supply interruptions, sewer collapse, etc.). A core element of Ofwat’s business plans review will be around the assessment of the utilities’ proposed commitments and whether they are deemed stretching enough. The regulator could request more ambitious performance targets in certain areas.

The magnitude of proposed investments for AMP8 questions its financing mechanisms.

The regulatory structure of the English and Wales water industry permits expenditures to be recovered via water and wastewater rates through end customers. Proposed AMP8 investments rely on steep rate increases for customers, up to +64%. This is a significant change in utilities’ strategy, as AMP7 and AMP6 focused on lowering customers’ water and wastewater bills. Ofwat’s feedback on the proposed rate increases could lead to significant plans revisions.

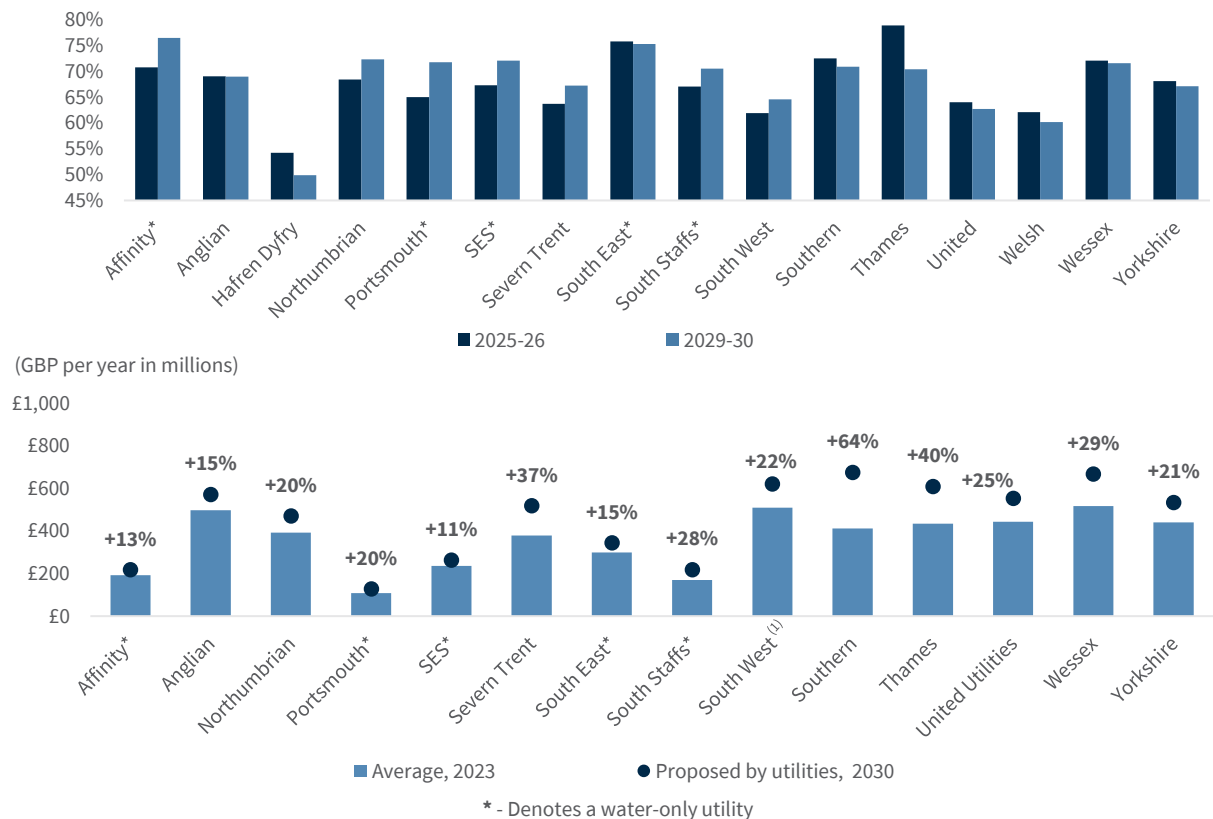
Along with rates, debt will also be used for financing the programs of work. As a result, the majority of water and wastewater companies are planning to maintain or increase their current gearing levels—the debt to regulated capital value indicator. A number of utilities have requested equity injections from their investors, as the overall financial health of the sector continues to be questioned.

Since being privatized almost free of debt in 1989, English and Welsh water utilities have collectively accumulated a debt burden of GB£68.0 billion, fueling public uproar as performance lags. The water companies’ financial health remains a

key concern. In February 2023, the water-only company SES Water was put up for sale, months after Ofwat flagged its unstable balance sheet and high debt level (72% regulated gearing). In January 2024, it was acquired by Pennon Group, which assumed SES Water’s accumulated net debt of GB£291 million, and injected equity capital to stay within its acceptable gearing range of under 65%.

In early 2023, water and wastewater companies used almost one-fifth of the income from customer bills to service debt. In July 2023, Thames Water faced the possibility of a special administration regime by the government and even nationalization. The specter of expropriation led institutional investors to revise their stakes. In March 2024, Thames Water’s shareholders refused

Gearing and Proposed Rate Increases



Note: Raymond James is not affiliated with and does not endorse Bluefield Research.

Source: Utilities’ 2025–2030 Business Plans, Bluefield Research.

(1) Bristol Water is incorporated in South West Water.

U.K. Water Market: Preparing for AMP8 (cont.)

to provide the first GB£500-million tranche of GB£750 million required for short-term cashflow, deepening the utility’s crisis and battle with Ofwat. At the end of April 2024, and in response to Ofwat’s requests, the utility submitted an updated 2025-2030 business plan to the regulator, adding GB£1.1 billion in proposed investment to reach GB£19.8 while slightly reducing the average annual customer bill.

The preparation of AMP8 collides with revisions of the regulatory framework, but near-term change remains uncertain.

In January 2024, the UK government submitted a proposal to review insolvency rules for water utilities in an effort to protect consumers in the event of a water utility becoming insolvent. In light of Thames Water’s instability, the proposal

supports the implementation of a Special Administration Regime (SAR) when a utility is or is likely to be unable to pay its debts; it could also be used as an enforcement tool against utilities with performance issues. The underperformance of wastewater pollution control in particular could fall within this remit, giving more authority to the UK regulators as they seek to channel resources toward their outcome delivery incentives.

Empowering regulators with the teeth to enforce a new financing model will take time; regulation linking utility operational performance with debt levels and dividend payouts has lagged for years. It was only in March 2023 that Ofwat obtained the authority to limit excessive dividends that risk financial resilience and take enforcement action against utilities that do not link dividend payments to performance. Still, it remains unclear how and

whether Ofwat will assert this authority.

As the water sector transitions toward AMP8, more aggressive, innovative approaches will be critical to address the growing physical and financial challenges stresses on English and Welsh water infrastructure. Ofwat’s feedback on the utilities’ business plans is expected in June 2024. This review could trigger significant changes in the plans, particularly regarding the articulation of base and enhancement funding for certain performance improvements. Final determination regarding AMP8—including performance targets, investments, and rates—are expected in December.

About The Author:



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About Bluefield Research:

Bluefield supports companies with authoritative, actionable water market intelligence. Clients utilize Bluefield for in-depth actionable intelligence into the water sector and the sector's impacts on key industries globally.

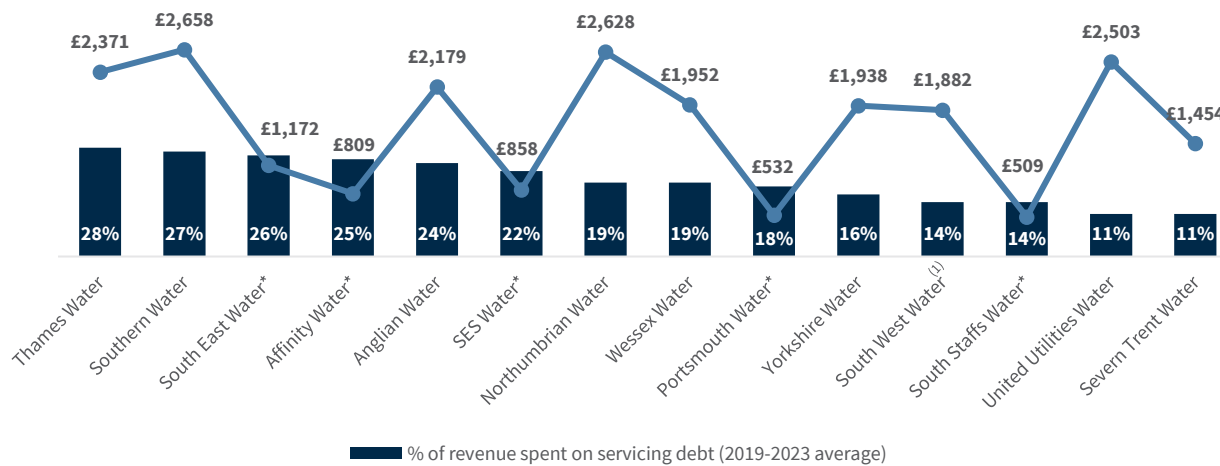
To learn more please feel free to contact the Bluefield Team at:

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(GBP per property connection)

Debt Levels



* - Denotes a water-only utility

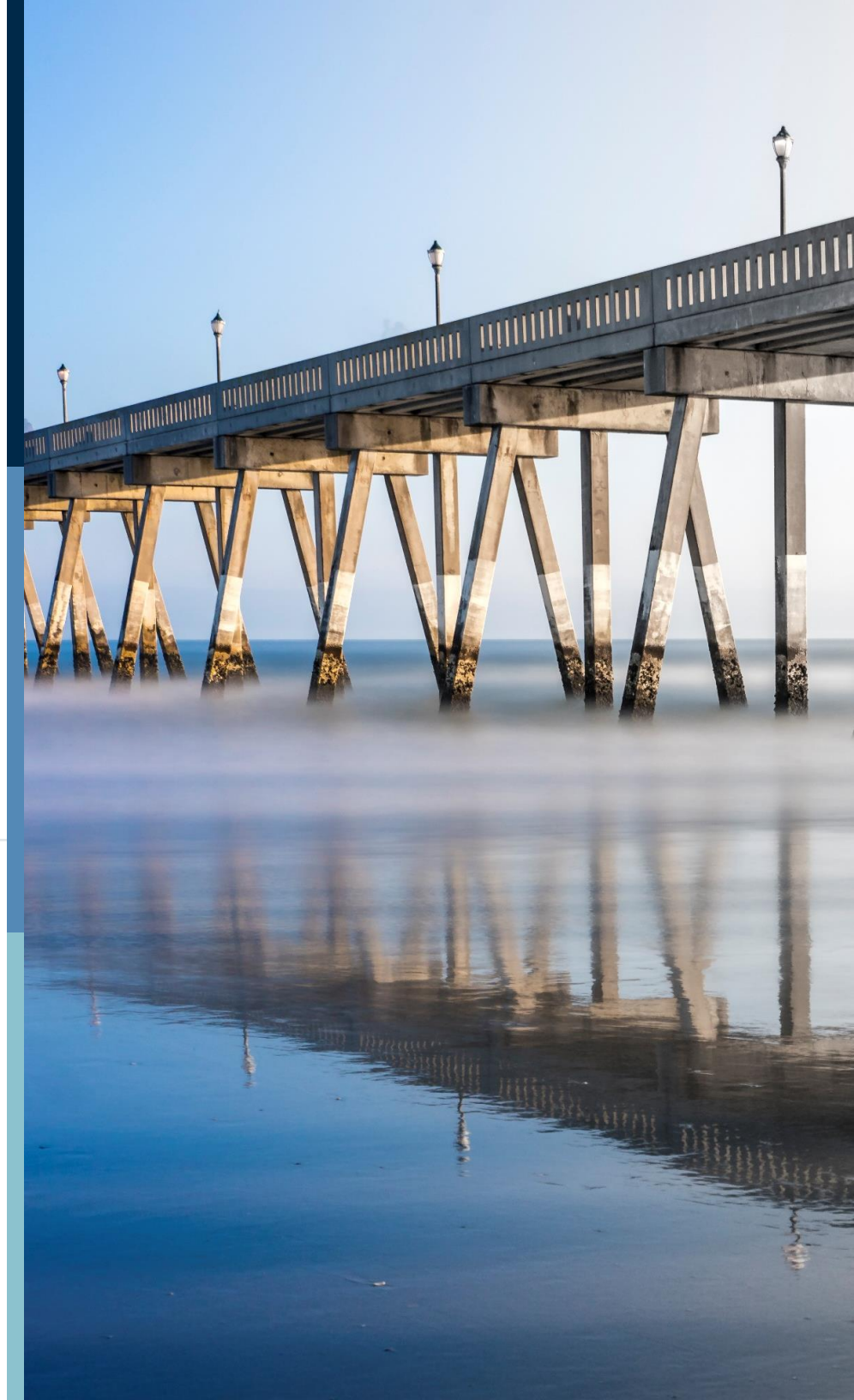
Note: Raymond James is not affiliated with and does not endorse Bluefield Research.

Source: Utilities’ 2025–2030 Business Plans, Bluefield Research.

(1) Bristol Water is incorporated in South West Water.

SECTION 02

Economic and Political Commentary



Economic thoughts of the week

WEEKLY ECONOMIC COMMENTARY

May 10, 2024



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

Is This The Calm Before The Tempest? Preparing for a Busy Data Week

Markets seem to have been basking in the spring sun as they wait for the approaching summer heat, so to speak. During a week that provided very little extra information on the state of the US economy, the markets seem to be hanging on to what little data was released this week, which seems to have been in line with the weaker-than-expected employment report released on Friday as well as the weaker than expected ISM Services Index.

However, as we argued last week, although the nonfarm employment number last week was lower than expected at 175,000, it was a still strong number compared to the historic monthly average (~125,000). The most disappointing number last week was the ISM Services Index, which fell slightly into contraction. And since it has been the strength of the service economy that has continued to drive the US economy, that was, for us, the most important data point we got last week.

This week we got consumer credit, initial jobless claims, and the preliminary University of Michigan Consumer Sentiment Index for May, which also included inflation expectations, both one-year and 5-years head. We will talk about consumer credit in the next section, but initial jobless claims came in higher than expected for the week ending on May 4 and we will continue to follow it along with other signs (e.g., ‘Hiring Plans’ in next Tuesday’s NFIB Small Business Survey) for further labor weakness—the ‘last shoe to drop’ before the Fed kickstarts a rate easing cycle.

The preliminary Index of Consumer Sentiment for May from the University of Michigan’s Survey of Consumers came in much lower than expected, at 67.4 compared to expectations for a 76.9 print. April’s Index of Consumer Sentiment was 77.2. Both components of the Index were down in April, with the Index of Current Economic Conditions declining from 79.0 to 68.8 while the Index of Consumer Expectations came down from 76.0 in April to 66.5 in May, according to the release. The deterioration in consumer sentiment in May brings it to its lowest level since November and adds to the deterioration in the Consumer Confidence Index over the last several months. Moreover, despite the decline in energy prices, gasoline prices have remained elevated, pushing one-year ahead inflation expectations higher from 3.2% in April to a preliminary reading of 3.5% in May. While this is not good news for the Federal Reserve (Fed), five-year ahead expectations only increased slightly, and we expect June’s one-year ahead inflation expectations to be lower and the disinflation trend to continue.

Next week is a very busy economic data week. On Monday, we have the release of the NFIB Small Business Index and the Producer Price Index (PPI). On Wednesday we have the release of the Consumer Price Index (CPI), the retail and food sales index, business inventories and the NAHB Housing Market Index. On Thursday we get the release of initial jobless claims, building permits and housing starts, import and export prices as well as industrial and manufacturing production. On Friday we get the release of the Leading Economic Indicators. Expectations for the CPI is for

Source: Raymond James Private Client Group.

Economic thoughts of the week (cont.)

WEEKLY ECONOMIC COMMENTARY
May 10, 2024



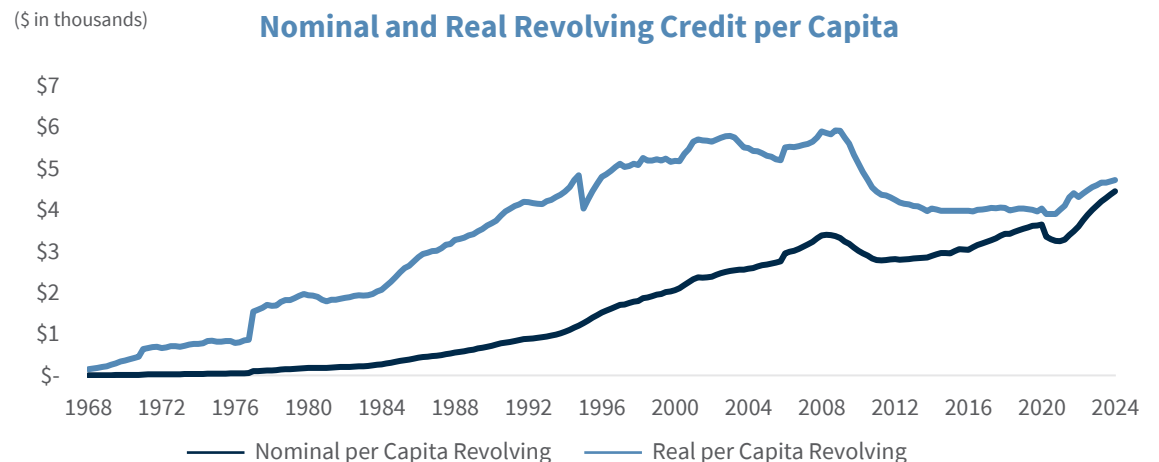
Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

an increase of 0.4% during the month of April while we have a slightly lower expected increase of 0.35%. Any number above expectations for the CPI could mean trouble for markets. We will also get the April number on retail and food services sales. Within this number we are going to look for “control group” retail and food services sales to see if consumer demand started the second quarter at a strong or weak pace. Furthermore, the industrial production index will include the state of the manufacturing sector and thus we will be looking to see if the April ISM Manufacturing sector’s contraction picture is supported by the release of the manufacturing index.

On Tuesday we get the Quarterly Report on Household Debt and Credit from the Federal Reserve Bank of New York for the first quarter of this year, which will allow us to see if delinquency rates on credit cards and other credit instruments have continued to increase.

Consumer Credit Card Borrowing, What Say You?: We hear that Americans continue to increase their credit card balances and in some sense that is true. However, the story behind this data series is not so simple. It is true that credit card borrowing has continued to grow. But is that something that could bring the US economy down? Yes, it could, especially if we go into a recession and Americans start losing their jobs. Credit card borrowing commands the highest interest rate of almost all traditional credit vehicles while, at the same time, it is unsecured debt, which means that institutions that lend in this space do not have many ways to prevent large losses if consumers cannot pay back.

But we want to make several points on this issue. First, although nominal credit card borrowing is at an all-time high, one of the reasons for this is inflation. If we deflate credit card borrowing using the PCE price index, we see that real credit card borrowing is very close, but not at an all-time high. The all-time high in real credit card borrowing was just before the Great Recession in 2008. Another way of looking at this is to look at per-capita credit card borrowing. This also shows that, in real terms, we are below the all-time high (see graph below).



Source: Raymond James Private Client Group.

Economic thoughts of the week (cont.)

WEEKLY ECONOMIC COMMENTARY

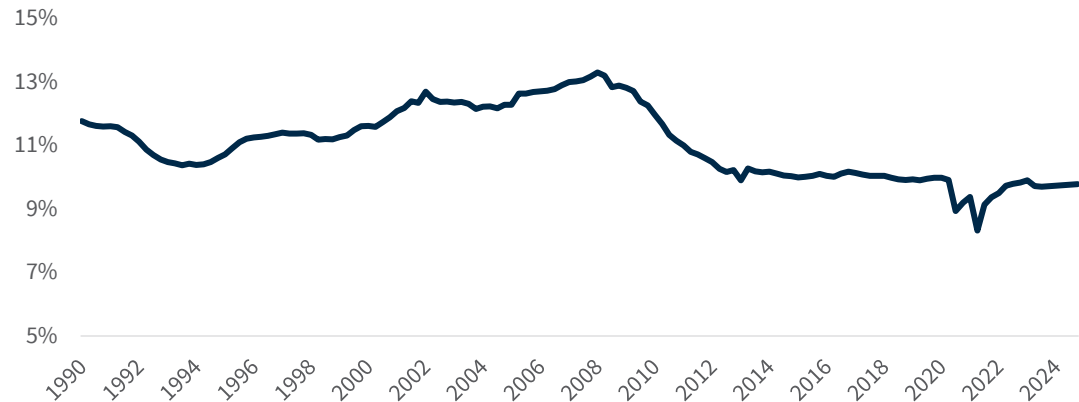
May 10, 2024



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

Second, a better picture of credit card borrowing is to look at it as a percentage of disposable personal income, which tends to confirm that, although credit card borrowing has increased considerably, incomes have increased even more and, credit card borrowing is still very low as a percentage of disposable personal income. This also confirms that today, Americans’ financial conditions are still in relatively good shape.

Revolving Credit as a Percentage of Disposable Income



Perhaps one caveat to this credit card borrowing picture is that we don’t have a clear picture on the distributional impact of credit card borrowing, that is, it is possible that lower income individuals, who typically borrow more on credit cards as a percentage of income, are in much worse shape than what the aggregate numbers are showing. Thus, although the overall, or aggregate, picture is not as concerning as many continue to indicate, it is true that credit card lending effects over different income level sectors are much different than the aggregate numbers show. For this, we will have to continue to look at credit card delinquency rates for the first quarter of this year, which will be released on Tuesday of next week.

On the other hand, there is a segment of non-traditional credit for which we have very little information available as lenders aren’t obliged to report data. We are talking about the ‘Buy Now Pay Later’ (BNPL) programs, which have been growing in popularity in recent years. These programs allow consumers to purchase products and repay the balance in multiple interest-free biweekly installments. A recent poll published by Bloomberg suggests that 43% of borrowers in BNPL programs are behind on their payments, while 28% are delinquent.¹ Overall, the average balance on these programs is estimated to be much lower than that on credit cards, but if inflation persists and/or the labor market weakens, many lower-income households could start to look for ways to space out payments to make ends meet. As of today, and with the limited data available, this does not seem to be an issue. However, it will be imperative to remain vigilant about the topic going forward, especially if the economy and labor market slow down as we expect.

Source: Raymond James Private Client Group.

Card Policy Back in DC Spotlight / 301 Tariff Hikes Coming Next Week?

WASHINGTON
POLICY RESEARCH
May 10, 2024



Edward Mills
Managing Director
Raymond James Equity Research

Week in review: The release of a probe into the Federal Deposit Insurance Corporation (FDIC)'s workplace culture raises the possibility of the current bank regulatory super-cycle being short-circuited if political pressure on Chair Martin Gruenberg translates into his resignation. A midweek attempt to oust House Speaker Mike Johnson (R-LA) failed on a strong bipartisan vote, signaling short-term continuity in House leadership but leaving the door open to further political drama down the line.

Looking ahead: Updates to U.S. Section 301 tariffs could come as soon as next week, with hikes expected for tech including EVs, batteries, and solar — while the decision could be delayed, we continue to view the May 31 as the likely outer bound timing-wise for the pending updates. We are watching for whether industry will receive a stay on the implementation of the Consumer Financial Protection Bureau (CFPB)'s credit card late fee rule later today given its fast-approaching effective date on Tuesday — as well as for the ruling in the Supreme Court case challenging the agency's constitutionality.

TCJA tax cost estimate revised – could corporate rate adjustments be a payfor: According to new estimates released by the Congressional Budget Office (CBO), permanently extending the expiring individual provisions of the 2017 Tax Cuts and Jobs Act (TCJA) would cost \$4.6 trillion (including \$467 billion in interest) from 2025 through 2034 – a significant upwards revision from the previous \$1.1 trillion estimate and raising new questions around potential payfors for a TCJA extension/what the 2025 tax debate will look like. The new estimate includes \$3.4 trillion from extending the expiring individual and estate tax provisions as well as \$551 billion from extending business provisions. The increased estimate comes as DC becomes increasingly focused on the next tax policy issue: the rapidly approaching expiration of the current debt limit deal in January 2025. As previously discussed, we continue to expect that a Republican White House and Congress would move to extend the individual provisions of the TCJA, while in either a Democratic sweep scenario, or one in which President Biden achieves a second term, portions of the TCJA would likely expire and Congress could move to reinstate higher rates and potentially increase taxes on higher-income households and other more ambitious agenda items. Given the heightened attention on the U.S. fiscal situation, comments from House Ways and Means Committee Chair Smith (R-MO) regarding potential GOP support for corporate rate changes provided a notable new window into a potential TCJA "payfor". Certain Republican lawmakers have reportedly discussed reversing the reduction of the corporate tax rate from 35% to 21%, and have suggested there could be bipartisan support for the change in 2025, as some deficit-conscious Republicans have increasingly suggested that they may not be able to extend all of the TCJA cuts or might have to consider some tax hikes to pay for them as the national debt continues to rise. We will continue to provide updates as this debate develops.

Section 301 tariffs could come next week – EV, batteries/battery inputs, solar tariffs expected to be hiked: The Biden administration is expected to release its long-awaited update to Section 301 China tariffs next week that could include a 4x hike to electric vehicles (EVs) tariffs aligning with our call that the updated tariff package was likely to come before the end of the

Card Policy Back in DC Spotlight / 301 Tariff Hikes Coming Next Week? (cont.)

WASHINGTON POLICY RESEARCH

May 10, 2024

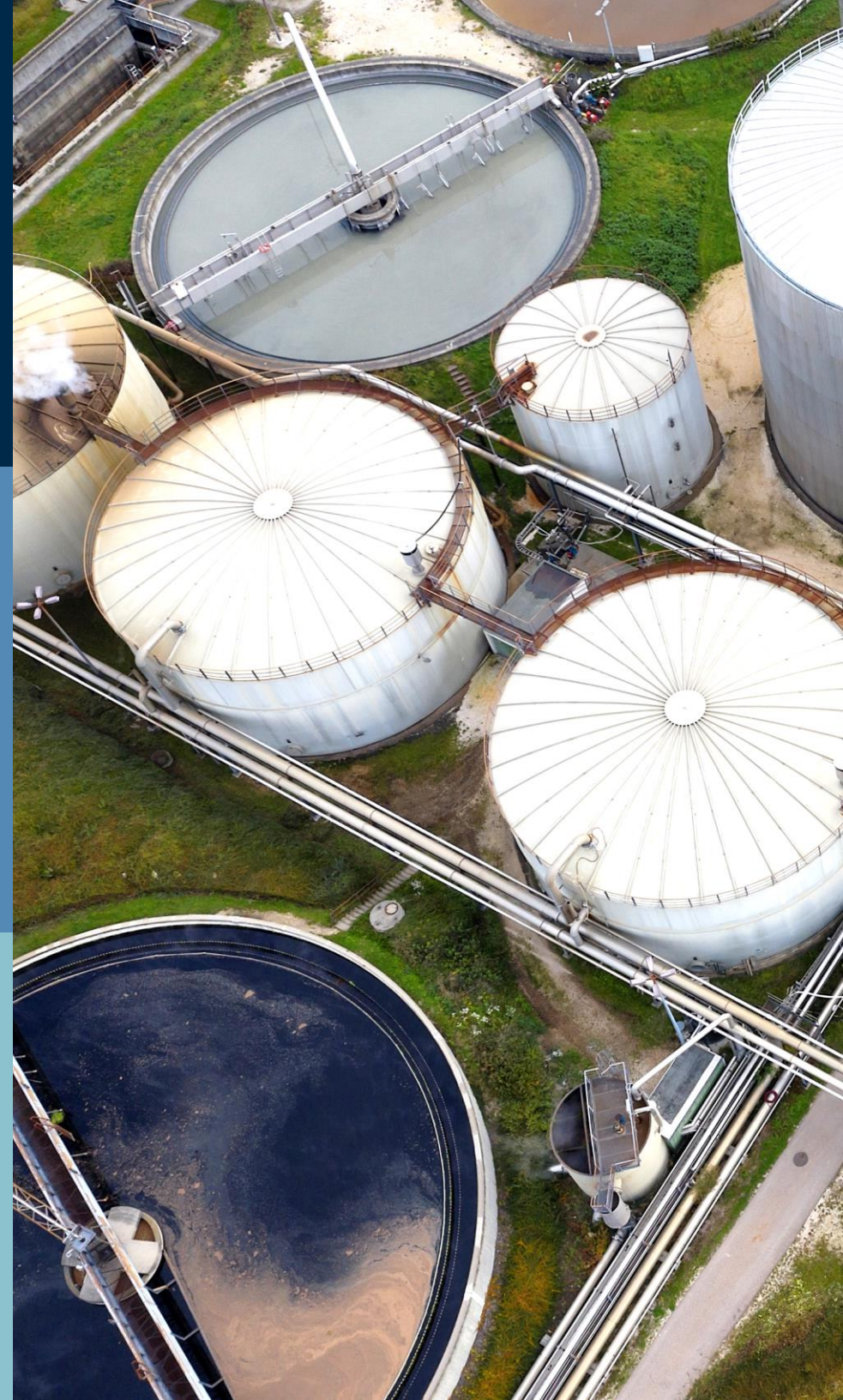


Edward Mills
Managing Director
Raymond James Equity Research

month. Bloomberg reporting on Thursday indicated that the White House is planning to release the updated tariffs next week (though delays could still happen), “target[ing] key sectors while rejecting the across-the-board hikes sought by [former President] Trump]. This is consistent with our expectation that key strategic technologies (specifically including EVs, EV components, critical minerals, and solar) are likely candidates for tariff hikes but increased duties will otherwise likely be limited in order to provide a degree of consumer relief. The Wall Street Journal reported on Friday that the White House is specifically preparing to quadruple existing tariffs on EVs. The pending decision will come on the heels of recent moves to place new restrictions on the U.S. China trade relationship, with President Biden moving early on proposed new 25% tariffs on certain Chinese steel and aluminum products and Congress making recent headway on key trade policy priorities (including restrictions on the de minimis tax exemption and pushing back on the implementation of the Inflation Reduction Act (IRA)’s Section 30D EV tax credit). China has already demonstrated a willingness to respond in kind to U.S. tariff hikes, though recent reactions have been relatively more limited in scope – coming in the form of new tariffs on U.S. exports of propionic acid. We will continue to provide updates on any final U.S. tariff decisions as well as potential reactions from China.

SECTION 03

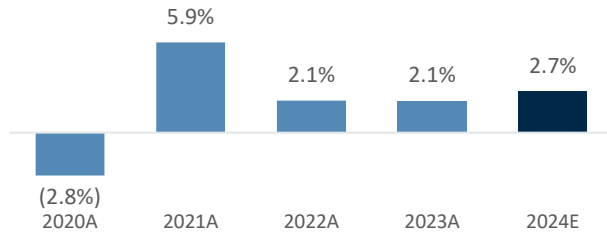
Sector and Economic Indicators



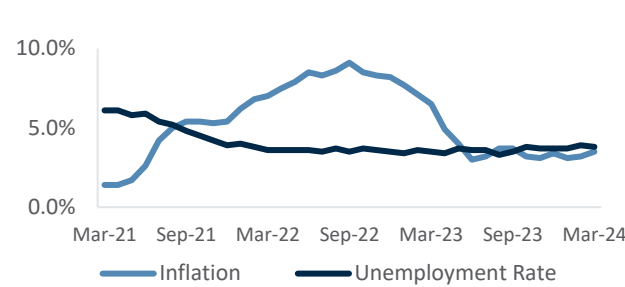
Macro indicators

U.S. ECONOMY

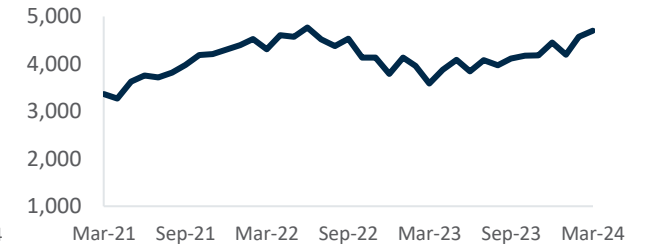
GDP GROWTH



INFLATION VS. UNEMPLOYMENT

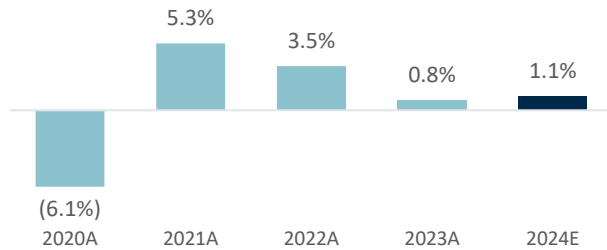


S&P 500 INDEX

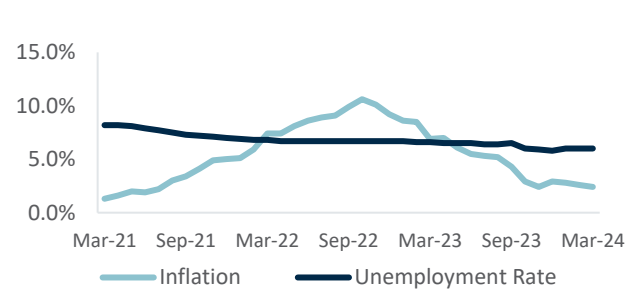


EUROPE ECONOMY

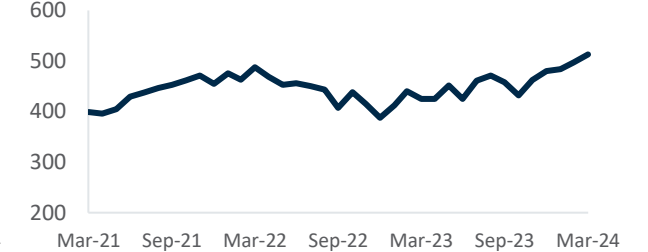
GDP GROWTH



INFLATION VS. UNEMPLOYMENT

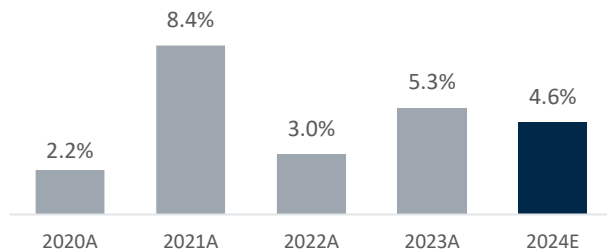


STOXX 600 INDEX

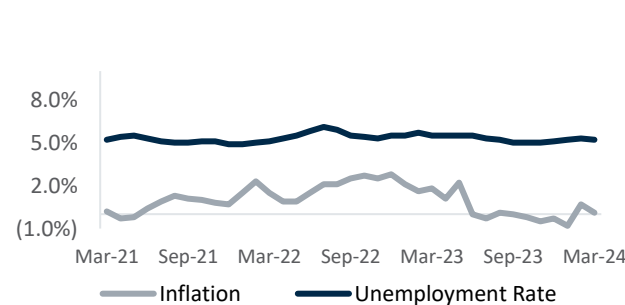


CHINA ECONOMY

GDP GROWTH



INFLATION VS. UNEMPLOYMENT



HANG SENG INDEX

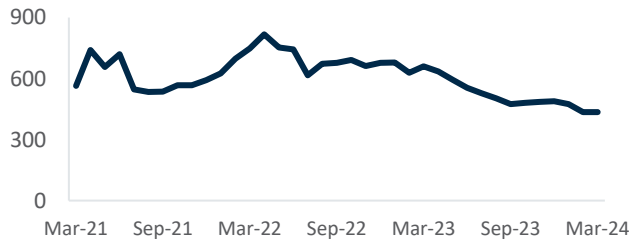


Source: Bloomberg, U.S. Bureau of Labor Statistics, National Bureau of Statistics of China, Market data as of 3 / 31 / 2024.

Select water end market indicators

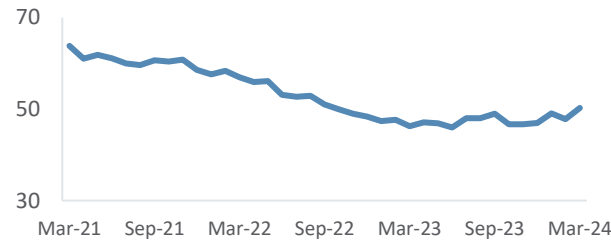
AGRICULTURE

U.S. CORN FUTURES (1)

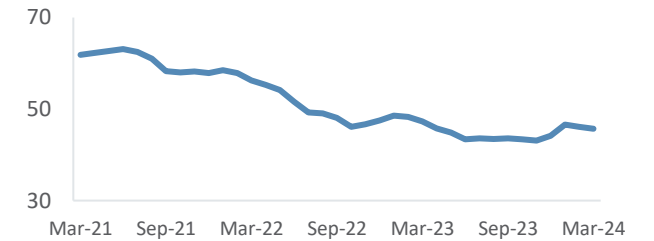


INDUSTRIAL

U.S. PMI

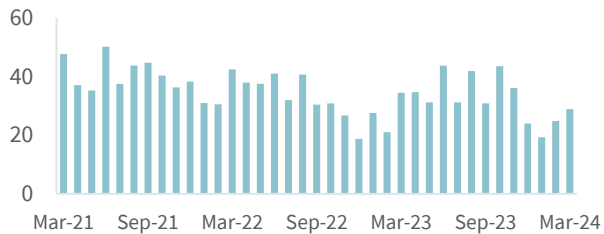


EU PMI

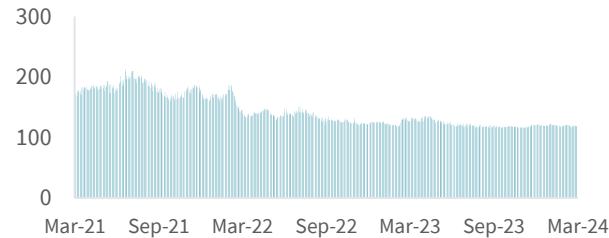


U.S. MUNICIPAL

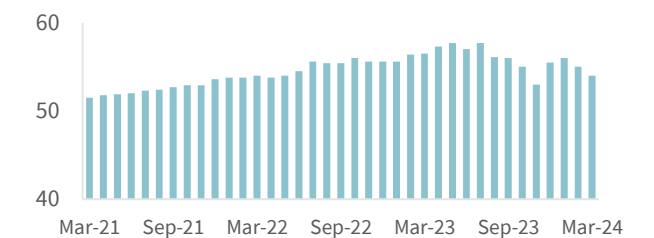
MUNI BOND ISSUANCE (\$ billions)



AAA 10-YR MUNI INDEX TO 10-YR TREASURY RATIO



WATER UTILITY EMPLOYMENT (000s)

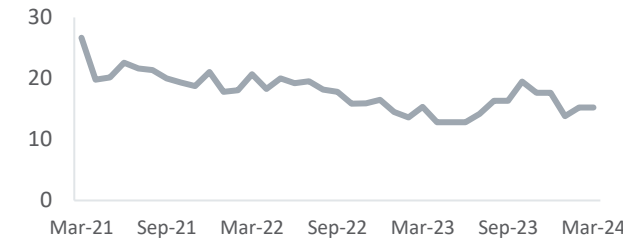


BUILDING / INFRASTRUCTURE

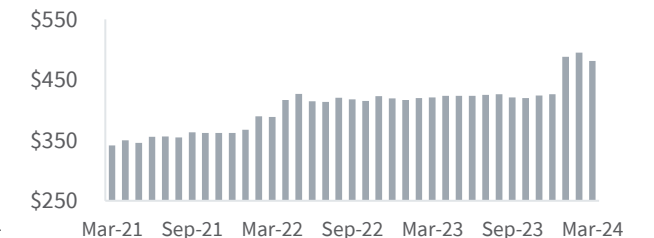
U.S. BUILDING PERMITS (000s)



GERMAN BUILDING PERMITS (000s)



U.S. DUCTILE IRON PIPE PRICE PER METRIC TON



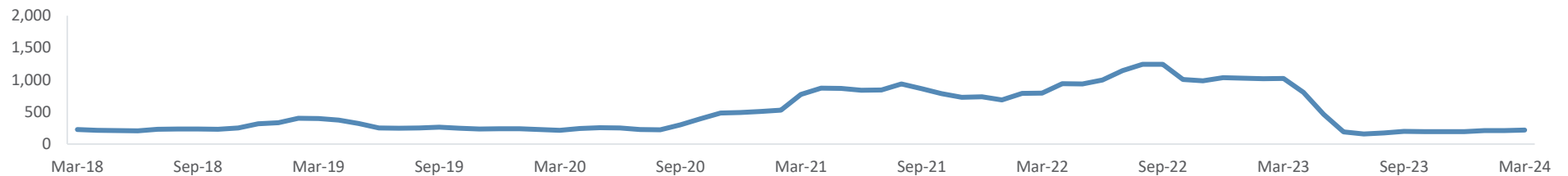
Source: Bloomberg, Municipal Securities Rulemaking Board, Bureau of Labor Statistics. Market data as of 3/31/2024.

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

Water scarcity indicators

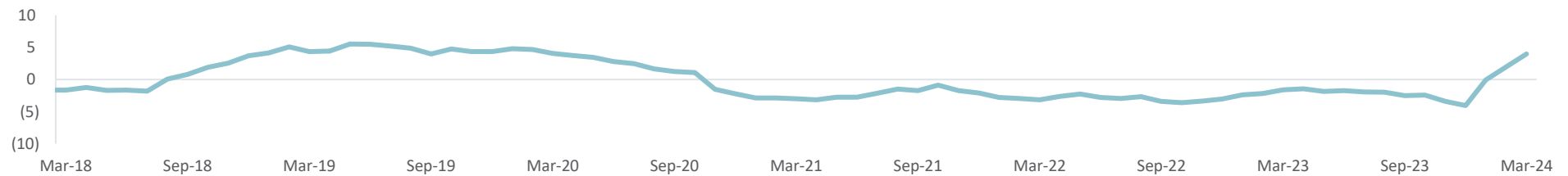
NASDAQ VELES CALIFORNIA WATER INDEX (NQH20)⁽¹⁾ (\$ PER ACRE FOOT)

The NQH20 Index benchmarks the price of water across California in a way that supports price discovery and enables the creation of a tradable financial instrument.



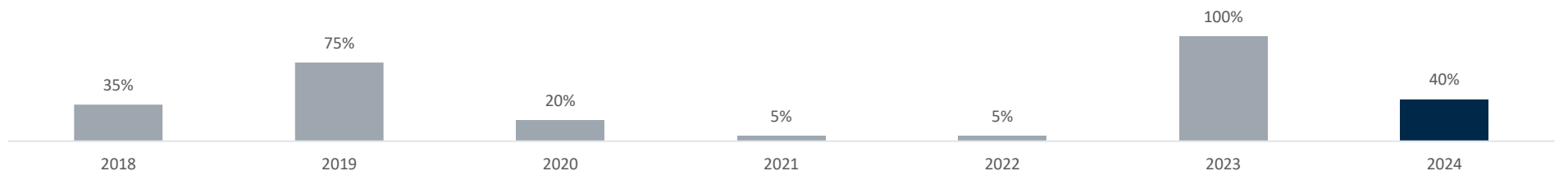
PALMER DROUGHT SEVERITY (“PDSI”) INDEX⁽²⁾

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 3 / 31 / 2024. 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 3 / 31 / 2024.

SECTION 04

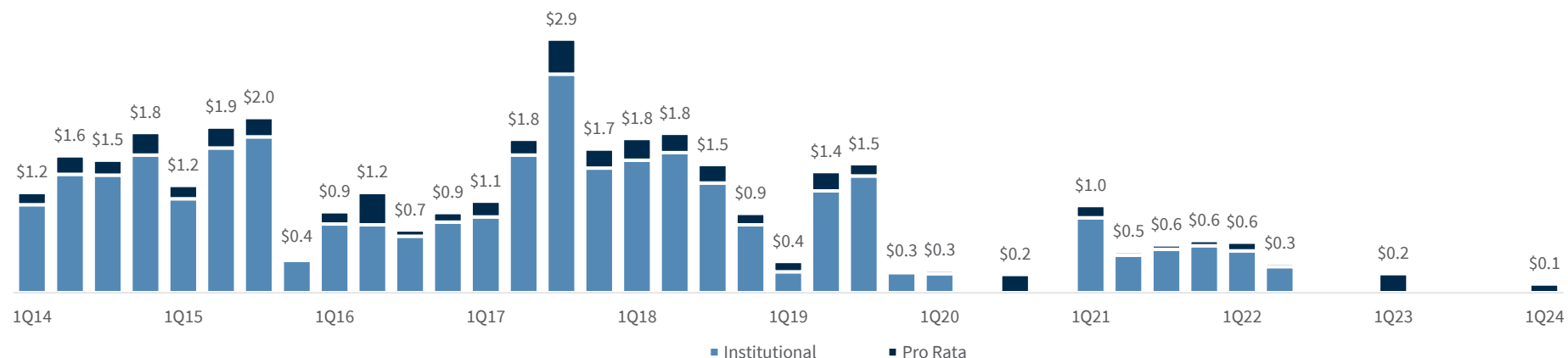
Trading and M&A Comparables



M&A overview

ACQUISITION RELATED MIDDLE-MARKET VOLUME BY QUARTER (DEFINED AS ISSUERS WITH EBITDA OF \$50M OR LESS) (\$ IN U.S. BILLIONS)

Values in U.S. billions



RECENT WATER TRANSACTIONS						
Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM Revenue	EBITDA
3/6/24	A. O. Smith Corporation	Impact Water Products Inc.	Provider retails water treatment products	-	-	-
2/29/24	Shamrock Environmental Corporation	JG Environmental, LLC	Provides cleaning, transportation and disposal solutions for a range of industrial clients	-	-	-
2/29/24	Fortune Brands Innovations, Inc.	SpringWell Water Filtration Systems	Water treatment technology provider	\$105.0	-	-
2/27/24	CST Industries, Inc.	Ostsee Tank Solutions GmbH	Provider of tank solutions, including aluminum domes and covers for the industrial end-market	-	-	-
2/22/24	Kinderhook Industries	DenBeste Water Solutions LLC	Designs, sources and leases specialty storage tanks and bins for several industrial end-markets	-	-	-
2/22/24	Levine Leichtman Capital Partners, LLC	USA Water Holdings, LLC	Provides water and wastewater operations and maintenance services	-	-	-
2/19/24	Hasa, Inc.	Chem Eleven Products, Inc.	Operates a salt-to-bleach manufacturing site serving municipal and commercial water treatment	-	-	-
2/15/24	Ovivo Inc.	E2metrix Inc.	Water treatment technology provider	-	-	-
2/14/24	Adler and Allan Limited	Public Sewer Services Ltd	Water pipeline service provider	-	-	-
2/13/24	Rivus Capital GmbH	Cornelsen Umwelttechnologie GmbH	Provides technical solutions and the provision of plant and equipment fabrication services for water purification	-	-	-
2/5/24	Newterra Corporation, Inc.	Aeration and Mixing Assets of Aeromix Systems Inc.	Provides treatment of organic wastewater for both the industrial and municipal wastewater markets	-	-	-
2/2/24	Clean Harbors, Inc.	HEPACO, LLC	Provides a range of environmental cleanup services responding to releases of contaminants to the environment	\$400.0	1.5x	11.1x
2/1/24	Montrose Environmental Group, Inc.	Epic Environmental Pty Ltd	Environmental science and engineering consultancy providing industry-specific environmental solutions	-	-	-
1/30/24	Core & Main, Inc.	Dana Kepner Company, LLC	Distributes waterworks material for the water and wastewater industries	-	-	-
1/23/24	Fort Point Capital, LLC	Ice House America, LLC	Manufactures and distributes ice vending machines and ice vending huts.	-	-	-
1/19/24	Culligan International Company	Whirlpool Eletrodomesticos AM S.A.	Manufacturer of commercialized electrical machines and appliance products for the commercial and industrial market	-	-	-

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	EV / LTM	
				Value (\$mm)	Revenue	EBITDA
1/16/24	Verdantas LLC	Flatwoods Consulting Group, LLC	Provides environmental regulations consulting services such as environmental permitting and compliance	-	-	-
1/16/24	Atlas-Ssi, Inc.	ABASCO LLC	Provides solutions for industrial cleaning and environmental services	-	-	-
1/15/24	Microsaic Systems plc	Certain assets of DeepVerge plc/Certain assets of Innovenn Limited	Water monitoring solutions provider	-	-	-
1/12/24	BlackRock, Inc.	Global Infrastructure Management, LLC	Independent infrastructure investment fund	-	-	-
1/10/24	Edison Partners	120Water Audit	Digital water management provider	-	-	-
1/9/24	Core & Main, Inc.	Substantially All of the Assets of Eastern Supply Inc.	Water equipment distributor	-	-	-
1/8/24	ALL4 Inc.	Whatcom Environmental Services, Inc.	A regulatory compliance and remediation solutions provider	-	-	-
1/8/24	ABB Ltd	Real Tech Inc.	Provider of optical sensor technology	\$23.0	3.8x	23.0x
1/4/24	Culligan	European Division of Primo	Water cooler producer	-	-	-
1/4/24	Voyager Interests, LLC	Aegion Coating Services, LLC	Field joint coating services for natural gas, crude oil, potable water and saltwater pipelines	-	-	-
1/3/24	USALCO, LLC	Coagulant Manufacturing Business of Brenntag Southwest, Inc.	Chemicals and ingredients distributor	-	-	-
1/3/24	Badger Meter, Inc.	Water Monitoring Assets of Trimble Inc.	Software service providing remote water monitoring technology	\$3.0	-	-
1/2/24	Myers Industries, Inc.	Signature Systems Group, LLC	Engineers, manufactures and distributes mats, turf protection systems and portable event flooring	\$350.0	3.2x	8.0x
12/31/23	Aqualia	Municipal District Services, LLC	Provides water, wastewater and stormwater services for utility districts	-	-	-
12/28/23	Ridgewood Infrastructure, LLC	Waste Resource Management, Inc.	Provider of liquids and wastewater collection, treatment and disposal services	-	-	-
12/14/23	Swiss Re AG	SSBN Limited	Water analytics software provider	-	-	-
12/14/23	Integrated Water Services, Inc.	Kla Systems, Inc.	Provider of innovative jet aeration and jet mixing technology for biological wastewater treatment processes	-	-	-
12/13/23	Aegion Corporation	Culy Contracting, Inc.	Provider of assessment, maintenance and installation services for water and wastewater pipelines	-	-	-
12/11/23	Watts Water Technologies, Inc.	Josam Company	Water valves provider	\$98.7	2.8x	-
12/5/23	Siemens S.A.	Bunt Planet, SL	Water analytics software provider	-	-	-
12/4/23	Franklin Water Treatment, LLC	Assets of Action Manufacturing & Supply, Inc.	Water treatment technology provider	-	-	-
11/28/23	Fort Point Capital, LLC; FPC Small Cap Fund III, L.P.	Visu-Sewer, Inc.	Provider of inspection, maintenance and rehabilitation services for underground infrastructure	-	-	-
11/17/23	FreshPure Waters	Pure Water Technologies	Water treatment service provider	-	-	-
11/16/23	Pennybacker Capital Management, LLC	Cambrian Innovation Inc.	Environmental technology company providing sustainable and decentralized water and wastewater solutions	-	-	-
11/14/23	Core & Main, Inc.	Substantially all of the assets of Lee Supply Company Inc.	Water equipment distributor	-	-	-
11/10/23	Nalco Company LLC	Flottec, LLC	Water treatment chemicals provider	-	-	-
11/9/23	New Jersey-American Water Company, Inc.	water and sewer system in Salem City	Water & Sanitary Sewer Systems	\$18.0	-	-
11/9/23	Core & Main, Inc.	Substantially all of the assets of Granite Water Works Inc.	Provider of water, wastewater and storm drainage products	-	-	-
11/9/23	Quench USA, Inc.	Neighbors Coffee Company	Office coffee supplier and service provider	-	-	-
11/7/23	Jones Lake Management	Ponds Rx, LLC	Aquatic management company dedicated to enhancing and maintaining the health of ponds	-	-	-
11/7/23	Nijhuis Industries Holding B.V.	Natural Systems Utilities, LLC	Provider of sustainable water and energy solutions, offering services to promote environmental resilience	-	-	-
11/6/23	CimA+ s.e.n.c.	C3 Water Inc.	Water project engineering company	-	-	-
11/6/23	PERC Water Corporation	Ramey Environmental Compliance, Inc.	Water treatment service provider	\$4.2	-	-
11/6/23	Obayashi USA, LLC	MWH US Acquisitions, Inc.	Focused on acquisitions and investments within the water and environmental infrastructure sector	\$140.0	0.3x	-
11/2/23	Osmosis Buyer Limited	Carbon Luxembourg S.à R.L.	Sustainable technology company focused on developing innovative solutions for carbon capture and utilization	\$575.0	-	11.0x
11/1/23	Kymera International, LLC	Assets of KDF Fluid Treatment Inc.	Water treatment technology provider	-	-	-
11/1/23	Alberici Constructors, Inc.	J.R. Filanc Construction Company, Inc.	Water project construction company	-	-	-
10/26/23	Core & Main, Inc.	Substantially All of the Assets of Enviroscape ECM, Ltd.	Distributor of water sewer, storm drain and drainage products	-	-	-
10/24/23	Water On Demand Inc.	Fortune Rise Acquisition Corporation	Water treatment technology provider	-	-	-
10/18/23	Aegion Corporation	AP Civil Solutions, LLC	Full-service water and wastewater maintenance company	-	-	-

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

Select transactions in last twelve months (cont.)

Date Announced	Buyers/Investors	Target	Target Description	Transaction	EV / LTM	
				Value (\$mm)	Revenue	EBITDA
10/16/23	Blue Wolf Capital Partners LLC	Logistec Corporation	Port and marine transportation services company	\$1,056.5	3.0x	20.3x
10/12/23	Foley Products	StormPrism	Underground stormwater storage system	-	-	-
10/4/23	nke SA	Aquaread Ltd.	Water monitoring solutions provider	-	-	-
10/3/23	Ember Infrastructure Management, LP	H2O Innovation Inc.	Offers preservation and cleaning, operation and maintenance, engineering and after-sales services	\$317.4	1.7x	20.3x
10/3/23	Axius Water	Triplepoint Environmental LLC	Supply provider for industrial and municipal wastewater customers	-	-	-
10/2/23	Solenis LLC	CedarChem, LLC	Water treatment chemicals provider	-	-	-
9/29/23	Gradiant Corporation	Aquarion AG	Water treatment technology provider	-	-	-
9/28/23	Trilon Group	Horrocks	Provides all of the disciplines necessary to study, plan, design and communicate around infrastructure projects	-	-	-
9/28/23	Trilon Group	HMB Professional Engineers	Provider of engineering services primarily focused on state and local agency customers	-	-	-
9/28/23	Trilon Group	Fehr Graham	Provider of engineering and environmental consulting services	-	-	-
9/28/23	PumpMan, Inc.	Flo-Systems Inc.	Provider of water, wastewater collection, treatment, distribution and repair services	-	-	-
9/20/23	PRIME AE Group, Inc.	Jacobi, Toombs & Lanz, Inc.	An engineering, survey and construction services firm	-	-	-
9/20/23	Water Engineering, Inc.	Earthwise Environmental, Inc.	Water treatment chemicals, consultation and services provide	-	-	-
9/19/23	United Flow Technologies	Iowa Pump Works, LLC	Technical distributor and service provider of pumps for the industrial water market	-	-	-
9/18/23	Bluewater (UK & Ireland) Limited	TAPP Water S.L.	Consumer water filter brand based in Spain	-	-	-
9/17/23	Ernst&Young	Tubman	Manufactured goods supplier for the plumbing market	\$7.0	1.5x	9.0x
9/15/23	Quad-C Management, Inc.	Vortex Companies, LLC	Designs storm drain systems, culverts, channels, water management facilities and bridge mitigation	-	-	-
9/14/23	Aegion Corporation	C&L Water Systems Inc.	Provides dynamic water related service and utilizes creative solutions	-	-	-
9/13/23	CECO Environmental Corp.	Kemco Systems, Co. LLC	Designs and manufactures energy and water conservation systems and equipment for applications	\$34.9	1.6x	-
9/7/23	Unitywater	Detection Services Group	Provides technology used to help water utilities accurately understand the condition of long-distance pipelines	-	-	-
9/6/23	A. O. Smith Corporation	Water Tec of Tucson	Water treatment technology provider	-	-	-
9/1/23	Quench USA, Inc.	Guy's Ice Machine Services	Rental and servicing of commercial ice machines	-	-	-
8/30/23	Watts Regulator Company	Bradley Corporation	Designs, manufactures and sells commercial plumbing fixtures	\$303.0	1.5x	-
8/24/23	MML Capital Partners	Ross-Shire Engineering Ltd.	Engineering service company which provides modular build projects in controlled environments	\$100.0	0.5x	6.3x
8/21/23	Atlas Copco AB	Sykes Group Pty. Ltd.	Manufactures auto prime pumping equipment for mining and construction applications	-	-	-
8/17/23	Arjun Infrastructure Partners	BOO Projects	Producer of clean energy, fertilizer and recycled water	-	-	-
8/17/23	MPE Partners	Precision Pipeline	Provider of critical repair, replacement and maintenance services for utility customers	-	-	-
8/16/23	Emerson Electric Co.	FLEXIM Flexible Industriemeßtechnik GmbH	Manufactures measuring and control devices for the flow measurement	\$400.0	-	20.0x
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	-	-	-
7/24/23	Oldcastle Infrastructure, Inc.	Hydro International	Provides stormwater and wastewater treatment products, services and data solutions	-	-	-
7/10/23	Existing Shareholders	Thames Water Utilities Limited	Provides water and wastewater services in the United Kingdom	-	-	-
7/6/23	Existing Shareholders	ÉCOGÉNIE INC.	Water project engineering company	-	-	-
7/6/23	Western States Reclamation, Inc.	Ecological Resource Consultants, Inc.	Engineering and ecological science firm / consultants	-	-	-
7/5/23	CimA+ s.e.n.c.	ÉCOGÉNIE INC.	Water project engineering company	-	-	-

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

Select transactions in last twelve months (cont.)

Date Announced	Buyers/Investors	Target	Target Description	Transaction	EV / LTM	
				Value (\$mm)	Revenue	EBITDA
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	Provides licensed operation & maintenance service for groundwater treatment systems	-	-	-
6/12/23	Georg Fischer AG	Uponor Oyj	Sells products for drinking water delivery, radiant heating and cooling systems	\$2,349.6	1.6x	11.3x
6/12/23	Aegion Corporation	Standard Pipe Services, LLC	Cleaning and repair of storm and sanitary sewer pipes and appurtenances	-	-	-
6/8/23	Hydrosat Inc.	IrriWatch BV	Provides an advanced irrigation management software	-	-	-
6/8/23	Stantec Inc.	Environmental Systems Design, Inc.	Provides engineering design consulting solutions for buildings	\$94.4	-	-
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 Corporation	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	-	-	-
5/15/23	Uponor Oyj	Uponor Infra Oy	Water pipes and valves provider	\$145.9	-	-
5/9/23	CimA+ s.e.n.c.	Eramosa Engineering Inc.	Water project engineering company	-	-	-
5/5/23	Harbour Group Industries, Inc.	Americo Chemical Products, Inc.	Chemical solutions	-	-	-
5/4/23	Centaurus Capital LLC; BoltRock Holdings	Gradient Corporation	Provides end-to-end management of wastewater for customers	\$400.0	-	-
5/3/23	Montrose Environmental Group, Inc.	Matrix Solutions Inc.	Environmental and engineering consulting	\$47.9	-	-
5/2/23	Aegion Corporation	Infraspec Services, Inc.	Infrastructure maintenance, rehabilitation and technology	-	-	-
5/2/23	Jones Fish Hatcheries & Distributors LLC	Aqua Services, Inc.	Lake and pond design and management	-	-	-
5/1/23	Genesis Systems LLC	Molecule, Inc.	Producing a portfolio of quality crafted branded cannabis beverages	-	-	-
4/27/23	Industrial Growth Partners	S&B Technical Products, Inc./Hultec USA, Inc.	Designer, manufacturer, and distributor of engineered elastomer gaskets and seals	-	-	-
4/25/23	Trivest Partners	Citco Water	Distributor of a diverse mix of water and wastewater chemical solutions	-	-	-
4/25/23	Shoreline Equity Partners, LLC	C&S Chemicals, Inc.	Infrastructure maintenance, rehabilitation and technology	-	-	-
4/25/23	OCU Group Limited	Northavon Limited	Provider of Water & Waste Water Systems, Treatment Process, Instrumentation	-	-	7.0x
4/20/23	Quench USA, Inc.	AquaLine Pure Water Services, Inc.	Dealer of Waterlogic-branded water coolers and ice machines	-	-	-
4/19/23	SKion Water GmbH	Enwa AS	Diversified water technology company	-	-	-
4/6/23	United Flow Technologies	Macaulay Controls Company	Distributor of equipment for the water and wastewater	-	-	-
4/4/23	CimA+ s.e.n.c.	MidSea Engineering Ltd.	Water project engineering company	-	-	-
4/3/23	PURIS Corp	assets of D & D Water & Sewer, Inc.	Offers installation of water and sewer service lines and main lines	-	-	-
4/3/23	CECO Environmental Corp.	Transcend Solutions, LLC	Manufactures separations solutions for hydrocarbon production	\$22.3	-	-
Median				\$140.0	1.6x	11.1x
Mean				\$309.8	1.9x	13.4x

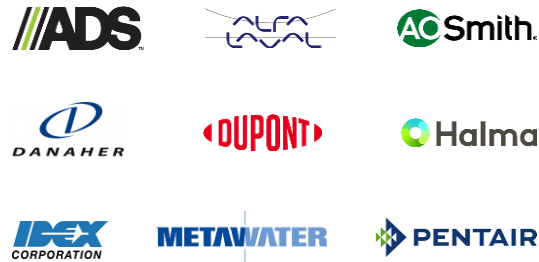
Public company comparable universe

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-U.S. companies to reflect the addition of the water-related bankers in Europe.

AGRICULTURE



ENGINEERED SOLUTIONS



FLOW CONTROL



INFRASTRUCTURE



RESIDENTIAL & COMMERCIAL SERVICES



SMART TECH



SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION

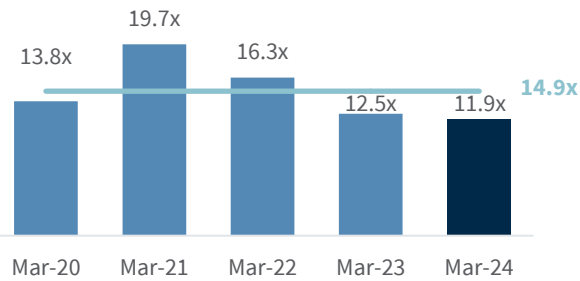


UTILITIES

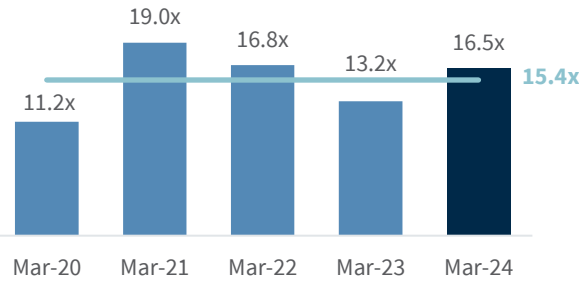


Public company valuation: EV / LTM EBITDA

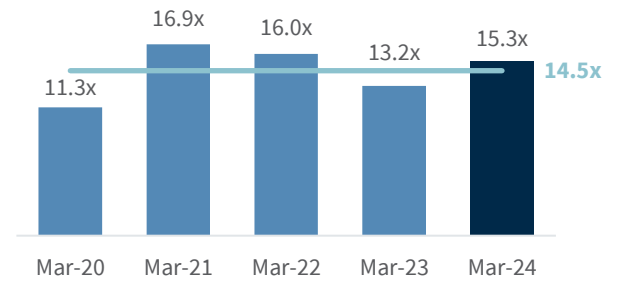
AGRICULTURE



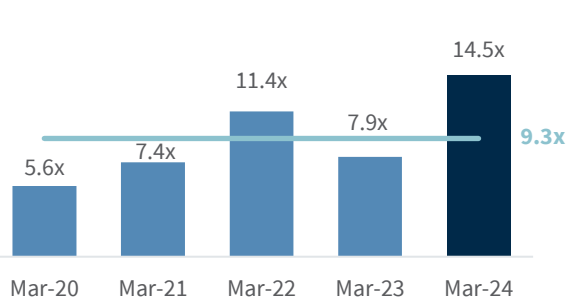
ENGINEERED SOLUTIONS



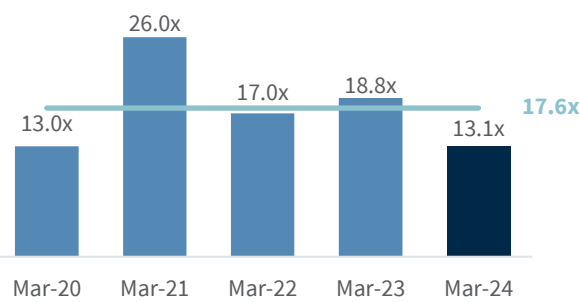
FLOW CONTROL



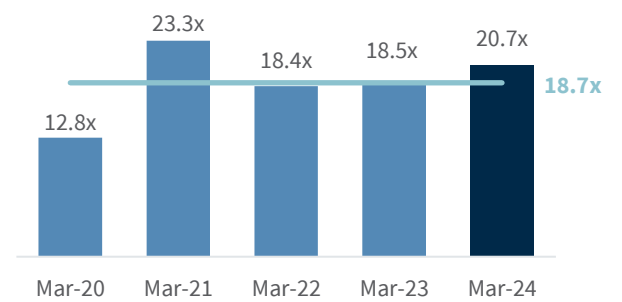
INFRASTRUCTURE



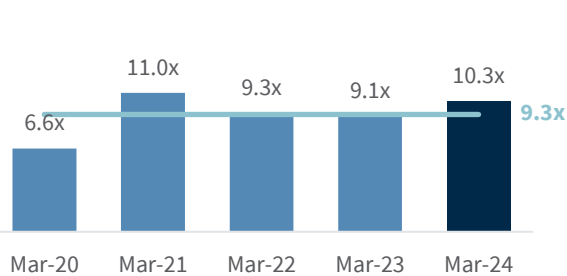
RESIDENTIAL & COMMERCIAL SERVICES



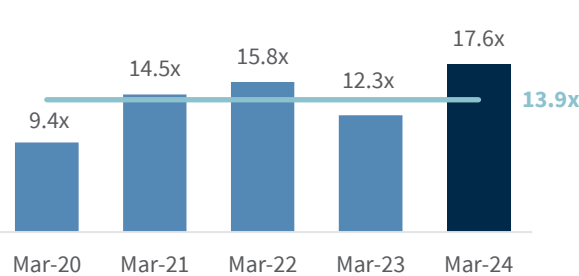
SMART TECH



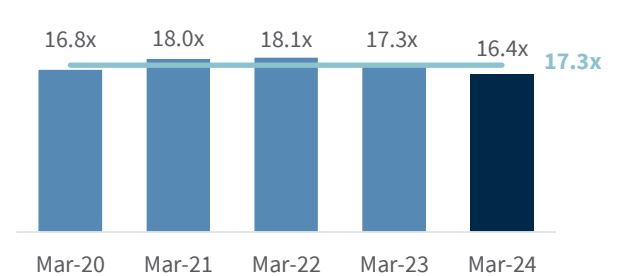
SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION



UTILITIES

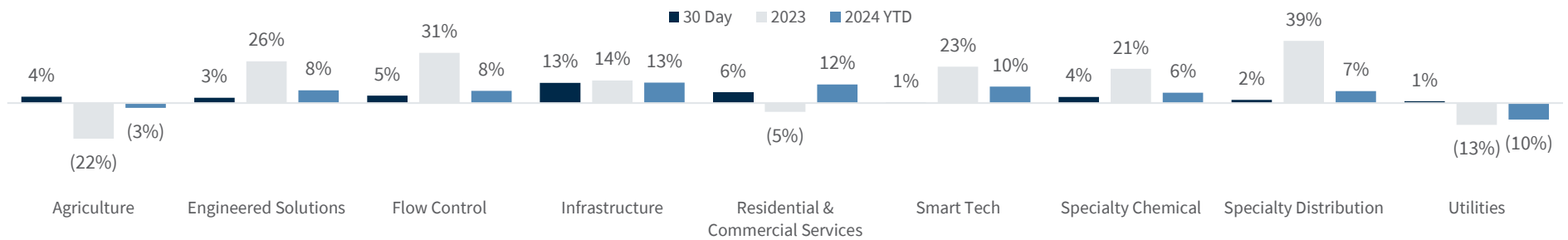


Source: CapIQ market data as of 3 / 31 / 2024.

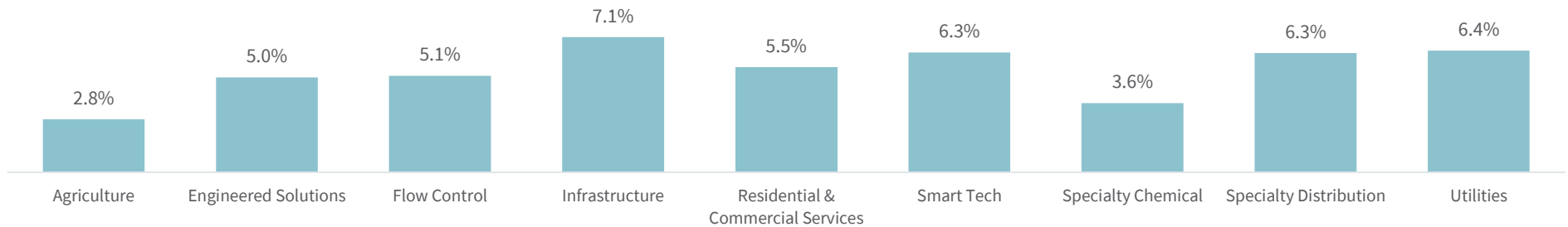
Note: Values represent the median EV / LTM EBITDA multiples for each sector at the specified date. For additional detail on the companies within each sector, see detail pages in the back of the newsletter. Light blue line and bold value represent the average of the five multiple medians shown.

Industry performance overview

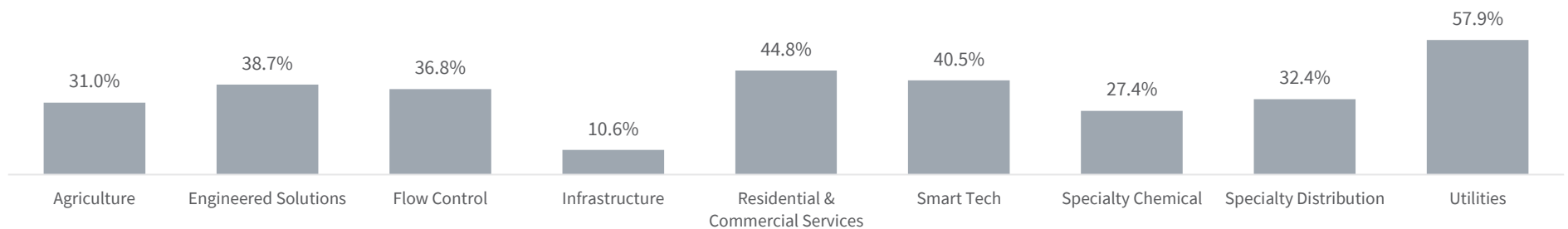
STOCK PRICE PERFORMANCE



REVENUE CAGR (2024-2026)



GROSS MARGIN (LTM)



Source: CapIQ market data as of 3 / 31 / 2024.

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.

SECTION 05

Representative Credentials



Representative credentials

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

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

SECTION 06

Water Conference Calendar



Upcoming water conference calendar

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



13-17 May 2024



Munich, GER

Serves as a global network for emerging environmental technologies



21-22 May 2024



Aarhus, DNK

Conference that highlights water tech companies, with access to select entrepreneurs, investors, corporations and governmental experts



10-13 June 2024



Anaheim, CA

Annual conference focusing on future global water management solutions



11-15 August 2024



Toronto, CAN

Conference aimed to explore the frontiers of global water and sanitation challenges



25-29 August 2024



Stockholm, SWE

Largest annual global water conference focused on solving the greatest challenges in global water



5-9 October 2024



New Orleans, LA

The largest event of its kind in North America, offering water quality education and training



25-26 February 2025



London, UK

Globally recognized as the summit where deals are made, and new partnerships formed between industrial industry leaders and investors



22-24 April 2025



Long Beach, CA

Most comprehensive annual gathering of water treatment professionals connecting technology and industry knowledge



30-3 March-April 2025



Denver, CO

Largest trenchless technology conference in the world

Appendix



Comparable companies' detail

As of 03/31/2024.
(In millions of USD, except per share data)

Company	Listing Exchange	Listing Country	Stock Price	% of 52 Week		Dividend Yield	LTM Financial Performance						Growth		Leverage		Valuation Metrics			
							Enterprise Value	Market Cap	Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
													High	Low	'22 - '24	'24 - '26	Gross	Net	LTM	NTM
Agriculture																				
CNH Industrial N.V.	NYSE	United States	\$12.96	82%	133%	4.0%	\$40,411	\$16,140	\$24,163	\$3,167	23.0%	13.1%	0.5%	3.0%	8.9x	8.1x	1.7x	1.8x	12.8x	14.3x
Lindsay Corporation	NYSE	United States	\$117.66	77%	111%	1.2%	\$1,259	\$1,298	\$645	\$113	31.7%	17.6%	(13.5%)	0.7%	1.2x	-	2.0x	1.9x	11.1x	11.1x
The Toro Company	NYSE	United States	\$91.63	82%	117%	1.7%	\$10,682	\$9,567	\$4,406	\$660	34.6%	15.0%	(0.5%)	2.6%	2.0x	1.7x	2.4x	2.3x	16.2x	14.0x
Valmont Industries, Inc.	NYSE	United States	\$228.28	71%	121%	0.9%	\$5,769	\$4,615	\$4,090	\$583	30.2%	14.2%	(4.4%)	5.2%	2.2x	1.9x	1.4x	1.4x	9.9x	10.0x
Mean			\$14,530	2.0%	\$7,905	\$8,326	\$1,131	29.9%	15.0%	(4.5%)	2.9%	3.6x	3.9x	1.9x	1.8x	12.5x	12.3x			
Median						1.4%	\$8,225	\$7,091	\$4,248	\$621	31.0%	14.6%	(2.4%)	2.8%	2.1x	1.9x	1.8x	1.8x	11.9x	12.5x
Engineered Solutions																				
A. O. Smith Corporation	NYSE	United States	\$89.46	99%	141%	1.5%	\$12,960	\$13,156	\$3,865	\$825	38.7%	21.3%	7.5%	3.8%	0.2x	-	3.4x	3.2x	15.7x	14.9x
Advanced Drainage Systems, Inc.	NYSE	United States	172.24 kr	98%	227%	0.4%	\$14,154	\$13,369	\$2,874	\$862	39.9%	30.0%	(6.3%)	-	1.6x	1.1x	4.9x	4.7x	16.4x	14.8x
Alfa Laval Corporate AB	OM	Sweden	\$420.80	95%	124%	1.5%	\$17,267	\$16,267	\$6,022	\$1,047	33.0%	17.4%	31.6%	3.4%	1.5x	0.9x	2.9x	2.7x	16.5x	14.0x
Danaher Corporation	NYSE	United States	\$249.72	93%	137%	0.4%	\$198,605	\$184,929	\$23,737	\$7,417	58.9%	31.2%	(22.5%)	8.3%	2.6x	1.6x	8.4x	8.3x	26.8x	25.9x
DuPont de Nemours, Inc.	NYSE	United States	\$76.67	97%	125%	1.9%	\$38,416	\$32,016	\$11,981	\$2,837	35.4%	23.7%	(7.6%)	5.5%	2.9x	2.3x	3.2x	3.2x	13.5x	13.3x
Halma plc	LSE	United Kingdom	£23.68	94%	131%	0.9%	\$12,062	\$11,280	\$2,353	\$508	52.0%	21.6%	28.1%	6.5%	1.8x	1.5x	5.1x	4.7x	23.8x	19.8x
IDEX Corporation	NYSE	United States	\$244.02	99%	133%	1.2%	\$19,366	\$18,459	\$3,229	\$882	44.2%	27.3%	6.6%	6.8%	1.5x	0.8x	6.0x	5.8x	21.9x	20.8x
METAWATER Co., Ltd.	TSE	Japan	¥2,293.00	96%	136%	2.4%	\$710	\$661	\$1,095	\$82	20.8%	7.5%	(4.2%)	4.0%	-	-	0.6x	0.7x	8.7x	8.6x
Pentair plc	NYSE	United States	\$85.44	100%	166%	1.1%	\$16,108	\$14,184	\$4,093	\$905	37.3%	22.1%	2.6%	4.5%	2.4x	2.3x	3.9x	3.8x	17.8x	16.1x
Mean						1.3%	\$36,628	\$33,813	\$6,583	\$1,707	40.0%	22.5%	4.0%	5.3%	1.8x	1.5x	4.3x	4.1x	17.9x	16.5x
Median						1.2%	\$16,108	\$14,184	\$3,865	\$882	38.7%	22.1%	2.6%	5.0%	1.7x	1.5x	3.9x	3.8x	16.5x	14.9x
Flow Control																				
Flowsolve Corporation	NYSE	United States	\$45.68	99%	143%	1.7%	\$6,892	\$5,994	\$4,428	\$525	30.4%	11.9%	12.8%	3.6%	2.7x	1.6x	1.6x	1.5x	13.1x	11.8x
Franklin Electric Co., Inc.	NASDAQGS	United States	\$106.81	99%	129%	1.0%	\$4,993	\$4,918	\$2,041	\$313	34.2%	15.3%	2.0%	-	0.5x	0.3x	2.4x	2.4x	16.0x	15.4x
Graco Inc.	NYSE	United States	\$93.46	99%	136%	1.2%	\$15,261	\$15,749	\$2,158	\$657	52.9%	30.4%	2.5%	5.8%	-	-	7.1x	6.8x	23.2x	20.3x
Mueller Water Products, Inc.	NYSE	United States	\$16.09	95%	133%	1.3%	\$2,775	\$2,513	\$1,238	\$228	32.7%	18.4%	(1.0%)	-	2.1x	1.3x	2.2x	2.2x	12.2x	12.3x
Rotork plc	LSE	United Kingdom	£3.29	95%	119%	2.1%	\$3,400	\$3,567	\$916	\$222	47.2%	24.2%	11.3%	5.0%	-	-	3.7x	3.6x	15.3x	14.2x
Sulzer Ltd	SWX	Switzerland	109.70 CHF	99%	154%	3.2%	\$4,306	\$4,112	\$3,897	\$474	33.0%	12.2%	4.6%	4.3%	2.9x	0.4x	1.1x	1.1x	9.1x	8.2x
The Gorman-Rupp Company	NYSE	United States	\$39.55	99%	170%	2.2%	\$1,433	\$1,037	\$658	\$115	30.2%	17.5%	15.0%	-	3.5x	3.2x	2.2x	2.1x	12.4x	12.1x
The Weir Group PLC	LSE	United Kingdom	£20.22	99%	122%	1.8%	\$7,471	\$6,587	\$3,358	\$551	37.7%	16.4%	10.4%	5.6%	3.2x	1.6x	2.2x	2.2x	13.6x	10.5x
Watts Water Technologies, Inc.	NYSE	United States	\$212.55	97%	139%	0.8%	\$7,081	\$7,079	\$2,156	\$417	46.9%	19.3%	7.2%	4.1%	0.7x	0.1x	3.3x	3.1x	17.0x	15.7x
Xylem Inc.	NYSE	United States	\$129.24	99%	148%	1.0%	\$32,963	\$31,246	\$7,949	\$1,441	36.8%	18.1%	25.1%	5.4%	1.6x	1.0x	4.1x	3.9x	22.9x	19.5x
Zurn Elkay Water Solutions Corporation	NYSE	United States	\$33.47	99%	169%	1.0%	\$6,201	\$5,795	\$1,532	\$316	43.7%	20.6%	7.6%	5.1%	1.7x	1.2x	4.0x	4.0x	19.6x	16.7x
Mean						1.6%	\$8,434	\$8,054	\$2,757	\$478	38.7%	18.6%	8.9%	4.9%	2.1x	1.2x	3.1x	3.0x	15.9x	14.2x
Median						1.3%	\$6,201	\$5,795	\$2,156	\$417	36.8%	18.1%	7.6%	5.1%	2.1x	1.2x	2.4x	2.4x	15.3x	14.2x
Infrastructure																				
Northwest Pipe Company	NASDAQGS	United States	\$34.68	99%	136%	-	\$502	\$343	\$458	\$54	17.7%	11.8%	0.0%	2.7%	3.5x	3.4x	1.1x	1.1x	9.3x	9.2x
AECOM	NYSE	United States	\$98.08	99%	132%	1.0%	\$15,186	\$13,341	\$15,350	\$1,021	6.6%	6.7%	9.8%	-	2.8x	1.6x	1.0x	1.0x	14.9x	13.7x
Fluor Corporation	NYSE	United States	\$42.28	98%	165%	-	\$6,015	\$7,192	\$15,456	\$472	4.0%	3.1%	11.6%	7.1%	2.4x	-	0.4x	0.3x	12.7x	9.5x
Northwest Pipe Company	NASDAQGS	United States	\$34.68	99%	136%	-	\$502	\$343	\$458	\$54	17.7%	11.8%	0.0%	2.7%	3.5x	3.4x	1.1x	1.1x	9.3x	9.2x
Orion Group Holdings, Inc.	NYSE	United States	\$8.20	83%	352%	-	\$349	\$267	\$713	\$24	10.0%	3.4%	8.2%	8.7%	4.8x	4.6x	0.5x	0.4x	14.5x	7.2x
Primoris Services Corporation	NYSE	United States	CAD 42.57	99%	181%	0.5%	\$3,383	\$2,283	\$5,871	\$386	10.6%	6.6%	17.4%	5.4%	3.5x	3.0x	0.6x	0.6x	8.8x	8.6x
Stantec Inc.	TSX	Canada	\$112.46	95%	146%	0.8%	\$10,492	\$9,473	\$3,846	\$524	54.3%	13.6%	13.7%	7.4%	3.0x	2.8x	2.7x	2.5x	20.0x	14.7x
Tetra Tech, Inc.	NASDAQGS	United States	€184.71	97%	140%	0.5%	\$10,830	\$9,876	\$4,113	\$538	19.4%	13.1%	22.6%	-	2.2x	1.8x	2.6x	2.5x	20.1x	18.9x
Mean						0.7%	\$6,679	\$6,111	\$6,544	\$431	17.5%	8.3%	11.9%	6.2%	3.2x	2.9x	1.3x	1.2x	14.3x	11.7x
Median						0.6%	\$6,015	\$7,192	\$4,113	\$472	10.6%	6.7%	11.6%	7.1%	3.0x	2.9x	1.0x	1.0x	14.5x	9.5x

Source: CapIQ.

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

Comparable companies' detail (cont.)

As of 03/31/2024.
(In millions of USD, except per share data)

Company	Listing Exchange	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								'22 - '24	'24 - '26	Gross	Net	LTM	NTM	LTM	NTM	
Residential & Commercial Services																					
Aramark	NYSE	United States	\$32.52	74%	136%	1.2%	\$14,402	\$8,535	\$19,632	\$1,639	16.4%	8.3%	4.5%	5.7%	3.8x	3.5x	0.7x	0.8x	8.8x	11.3x	
Compass Group PLC	LSE	United Kingdom	£23.23	100%	120%	1.9%	\$54,578	\$49,991	\$41,277	\$3,098	6.5%	7.5%	35.2%	8.0%	1.9x	1.7x	1.3x	1.3x	17.6x	13.2x	
Ecolab Inc.	NYSE	United States	\$230.90	100%	147%	1.0%	\$73,858	\$66,017	\$11,655	\$2,444	41.3%	21.0%	12.9%	5.4%	2.7x	2.3x	6.3x	4.6x	30.2x	21.1x	
Norva24 Group AB (Publ)	OM	Sweden	25.50 kr	84%	149%	-	\$551	\$435	\$311	\$46	48.2%	14.9%	26.8%	5.6%	3.2x	2.7x	1.8x	1.7x	11.9x	8.2x	
Primo Water Corporation	TSX	Canada	CAD 24.66	98%	152%	1.7%	\$3,813	\$2,909	\$1,811	\$373	64.6%	20.6%	(16.3%)	3.7%	3.8x	2.5x	2.1x	2.0x	10.2x	9.2x	
Rentokil Initial plc	LSE	United Kingdom	£4.72	71%	122%	2.0%	\$19,000	\$14,956	\$6,846	\$1,331	82.8%	19.4%	55.4%	5.4%	4.6x	3.1x	2.8x	2.7x	14.3x	11.9x	
Mean				1.6%		1.6%	\$27,701	\$23,807	\$13,589	\$1,489	43.3%	15.3%	19.7%	5.6%	3.3x	2.6x	2.5x	2.2x	15.5x	12.5x	
Median				1.7%		1.7%	\$16,701	\$11,746	\$9,251	\$1,485	44.8%	17.2%	19.9%	5.5%	3.5x	2.6x	1.9x	1.9x	13.1x	11.6x	
Smart Tech																					
ABB Ltd	SWX	Switzerland	\$41.89	98%	144%	1.8%	\$88,863	\$85,215	\$32,246	\$5,636	35.7%	17.5%	7.2%	5.5%	1.7x	0.6x	2.8x	2.6x	15.8x	14.6x	
Badger Meter, Inc.	NYSE	United States	\$161.81	95%	138%	0.5%	\$4,563	\$4,749	\$741	\$159	39.3%	21.4%	16.5%	7.4%	-	-	6.2x	6.0x	28.8x	28.0x	
Danaher Corporation	NYSE	United States	\$249.72	93%	137%	0.4%	\$198,605	\$184,929	\$23,737	\$7,417	58.9%	31.2%	(12.0%)	8.3%	2.6x	1.6x	8.4x	8.3x	26.8x	25.9x	
Emerson Electric Co.	NYSE	United States	\$113.42	100%	147%	1.8%	\$80,128	\$64,842	\$16,529	\$4,658	51.0%	28.2%	(2.2%)	5.5%	2.5x	2.0x	4.8x	4.5x	17.2x	17.3x	
Energy Recovery, Inc.	NASDAQGS	United States	\$15.79	51%	113%	-	\$806	\$901	\$127	\$20	67.7%	16.0%	8.7%	27.7%	0.6x	-	6.3x	5.5x	39.6x	32.2x	
Itron, Inc.	NASDAQGS	United States	€92.52	96%	183%	-	\$4,462	\$4,241	\$2,282	\$262	33.4%	11.5%	15.3%	5.1%	1.9x	0.7x	2.0x	1.9x	17.0x	17.0x	
Schneider Electric S.E.	ENXTPA	France	\$209.65	96%	156%	1.5%	\$138,306	\$126,282	\$39,684	\$7,499	41.8%	18.9%	6.7%	7.0%	2.2x	1.5x	3.5x	3.4x	18.4x	16.3x	
Xylem Inc.	NYSE	United States	\$129.24	99%	148%	1.0%	\$32,963	\$31,246	\$7,949	\$1,441	36.8%	18.1%	25.1%	5.4%	1.6x	1.0x	4.1x	3.9x	22.9x	19.5x	
Mean				1.2%		1.2%	\$68,587	\$62,801	\$15,412	\$3,386	45.6%	20.4%	8.1%	9.0%	1.9x	1.2x	4.8x	4.5x	23.3x	21.4x	
Median				1.2%		1.2%	\$56,546	\$48,044	\$12,239	\$3,050	40.5%	18.5%	7.9%	6.3%	1.9x	1.3x	4.5x	4.2x	20.7x	18.4x	
Specialty Chemical																					
Clariant AG	SWX	Switzerland	12.19 CHF	80%	113%	2.9%	\$5,462	\$4,444	\$5,198	\$703	27.4%	13.5%	(7.1%)	4.5%	2.3x	1.3x	1.1x	1.1x	7.8x	7.1x	
Ecolab Inc.	NYSE	United States	\$230.90	100%	147%	1.0%	\$73,858	\$66,017	\$11,655	\$2,444	41.3%	21.0%	6.2%	5.4%	2.7x	2.3x	6.3x	4.6x	30.2x	21.1x	
Hawkins, Inc.	NASDAQGS	United States	\$76.80	99%	196%	0.7%	\$1,734	\$1,609	\$919	\$136	21.1%	14.8%	2.6%	-	0.8x	0.8x	1.9x	1.8x	12.8x	12.4x	
Kemira Oyj	HLSE	United Kingdom	£17.52	97%	130%	3.0%	\$3,509	\$2,910	\$3,500	\$512	15.7%	14.6%	(9.7%)	2.7%	2.0x	0.8x	1.0x	1.1x	6.9x	6.0x	
Kurita Water Industries Ltd.	TSE	Japan	¥6,301.00	96%	148%	1.2%	\$5,035	\$4,681	\$2,544	\$488	34.3%	19.2%	1.4%	1.8%	1.4x	0.6x	2.0x	2.0x	10.3x	10.2x	
Mean				1.8%		1.8%	\$17,919	\$15,932	\$4,763	\$857	27.9%	16.6%	(1.3%)	3.6%	1.8x	1.1x	2.5x	2.1x	13.6x	11.4x	
Median				1.2%		1.2%	\$5,035	\$4,444	\$3,500	\$512	27.4%	14.8%	1.4%	3.6%	2.0x	0.8x	1.9x	1.8x	10.3x	10.2x	
Specialty Distribution																					
Core & Main, Inc.	NYSE	United States	\$57.25	98%	263%	-	\$13,144	\$11,001	\$6,702	\$899	27.1%	13.4%	12.2%	6.3%	2.3x	2.3x	2.0x	1.8x	14.6x	13.7x	
Ferguson plc	LSE	United Kingdom	£173.25	98%	175%	-	\$48,903	\$44,253	\$29,359	\$2,942	30.3%	10.0%	2.8%	7.4%	1.8x	1.6x	1.7x	1.6x	16.6x	15.3x	
MSC Industrial Direct Co., Inc.	NYSE	United States	\$97.04	92%	117%	3.6%	\$6,069	\$5,463	\$3,979	\$536	41.0%	13.5%	7.2%	4.9%	1.1x	1.1x	1.5x	1.5x	11.3x	10.2x	
Pool Corporation	NASDAQGS	United States	\$403.50	95%	131%	1.2%	\$16,827	\$15,529	\$5,456	\$750	29.9%	13.8%	(9.7%)	5.6%	1.7x	1.6x	3.1x	3.0x	22.4x	21.1x	
SiteOne Landscape Supply, Inc.	NYSE	United States	\$174.55	93%	149%	-	\$8,658	\$7,887	\$4,369	\$363	34.5%	8.3%	13.4%	6.3%	2.6x	2.4x	2.0x	1.9x	23.8x	19.7x	
W.W. Grainger, Inc.	NYSE	United States	\$1,017.30	98%	163%	0.9%	\$52,458	\$50,024	\$16,622	\$2,818	39.3%	17.0%	15.0%	7.0%	1.0x	0.7x	3.2x	3.0x	18.6x	17.9x	
Mean				1.9%		1.9%	\$24,343	\$22,360	\$11,081	\$1,385	33.7%	12.7%	5.7%	6.2%	1.8x	1.6x	2.2x	2.1x	17.9x	16.3x	
Median				1.2%		1.2%	\$14,985	\$13,265	\$6,079	\$825	32.4%	13.4%	7.2%	6.3%	1.8x	1.6x	2.0x	1.8x	17.6x	16.6x	
Utilities																					
American States Water Company	NYSE	United States	\$72.24	76%	103%	2.2%	\$3,576	\$2,672	\$570	\$229	59.8%	40.2%	3.8%	4.6%	4.0x	4.0x	6.3x	6.5x	15.6x	16.0x	
American Water Works Company	NYSE	United States	\$122.21	80%	107%	2.3%	\$35,864	\$23,801	\$4,307	\$2,287	59.5%	53.1%	7.9%	7.1%	5.8x	5.5x	8.3x	8.1x	15.7x	14.6x	
Artesian Resources Corporation	NASDAQ	United States	\$37.11	64%	110%	2.9%	\$559	\$390	\$101	\$43	49.1%	43.0%	4.6%	-	4.2x	4.0x	5.5x	5.3x	12.9x	-	
California Water Service Group	NYSE	United States	\$46.48	75%	104%	2.1%	\$3,892	\$2,681	\$934	\$323	53.7%	34.6%	5.8%	4.6%	4.1x	4.0x	4.2x	4.2x	12.1x	12.4x	
Consolidated Water Co. Ltd.	NASDAQGS	United States	\$29.31	77%	183%	1.3%	\$428	\$463	\$187	\$47	34.9%	25.3%	24.0%	-	-	-	2.3x	3.0x	9.0x	15.7x	
Essential Utilities, Inc.	NYSE	United States	\$37.05	82%	116%	3.1%	\$17,238	\$10,134	\$1,939	\$1,050	58.7%	54.2%	6.5%	9.1%	6.7x	6.7x	8.9x	7.3x	16.4x	14.1x	
Global Water Resources, Inc.	NASDAQ	United States	\$12.84	96%	137%	2.3%	\$417	\$310	\$52	\$21	74.4%	41.7%	9.3%	-	5.9x	4.9x	8.1x	7.9x	19.4x	16.5x	
Middlesex Water Company	NASDAQ	United States	\$52.50	62%	108%	2.3%	\$1,348	\$936	\$169	\$73	50.6%	43.3%	7.5%	8.3%	5.8x	5.8x	8.0x	7.1x	18.5x	-	
Pannon Group Plc	LSE	United Kingdom	£6.48	72%	122%	6.1%	\$6,571	\$2,338	\$1,147	\$394	49.6%	34.4%	9.1%	7.4%	-	-	5.7x	5.7x	16.7x	13.5x	
Severn Trent PLC	LSE	United Kingdom	£24.70	82%	110%	4.2%	\$18,951	\$9,330	\$2,768	\$1,078	23.3%	38.9%	4.7%	6.4%	8.9x	8.6x	6.8x	6.1x	17.6x	14.7x	
SJW Group	NYSE	United States	\$56.59	69%	104%	2.7%	\$3,552	\$1,814	\$682	\$262	57.9%	38.4%	7.4%	3.6%	6.8x	6.7x	5.2x	5.1x	13.5x	12.6x	
The York Water Company	NASDAQ	United States	\$36.27	77%	104%	2.2%	\$701	\$520	\$73	\$41	75.3%	56.5%	12.0%	-	4.6x	4.5x	9.6x	9.5x	16.9x	-	
United Utilities Group PLC	LSE	United Kingdom	£10.29	90%	115%	4.3%	\$19,370	\$8,862	\$2,303	\$1,047	89.0%	45.4%	7.9%	6.2%	10.7x	9.7x	8.4x	7.4x	18.5x	14.3x	
Mean				2.9%		2.9%	\$8,651	\$4,942	\$1,172	\$531	56.6%	42.2%	8.5%	6.3%	6.1x	5.9x	6.7x	6.4x	15.6x	14.5x	
Median				2.3%		2.3%	\$3,576	\$2,338	\$682	\$262	57.9%	41.7%	7.5%	6.4%	5.8x	5.5x	6.8x	6.5x	16.4x	14.5x	

Source: CapIQ.

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

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