

WATER QUARTERLY

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

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Your success is our business

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

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

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

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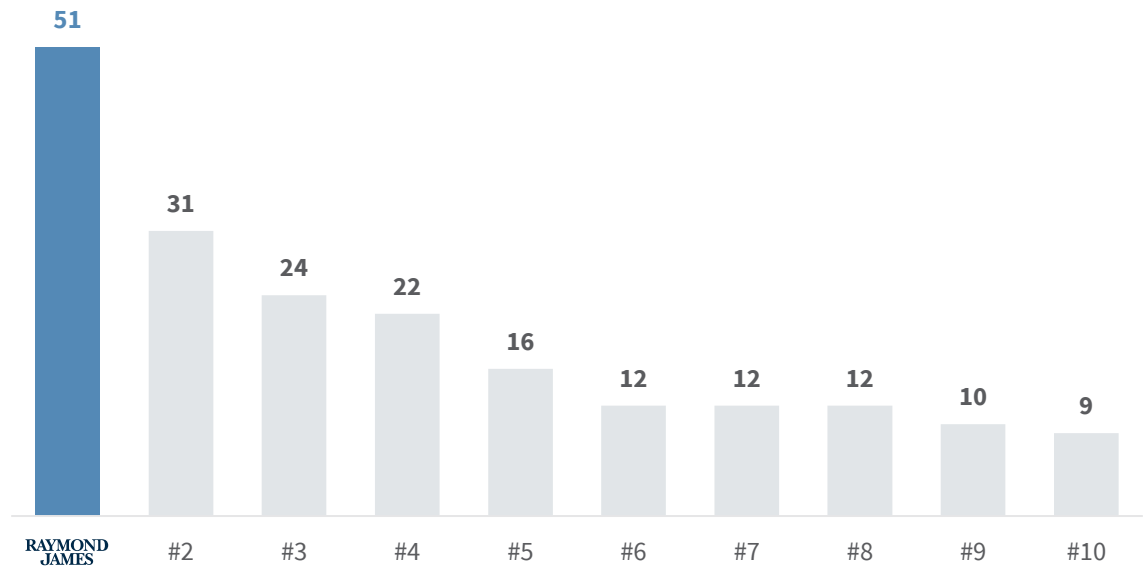
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#1 GLOBAL WATER INVESTMENT BANK⁽¹⁾



September 2024

has been acquired by

a wholly owned subsidiary of

September 2024

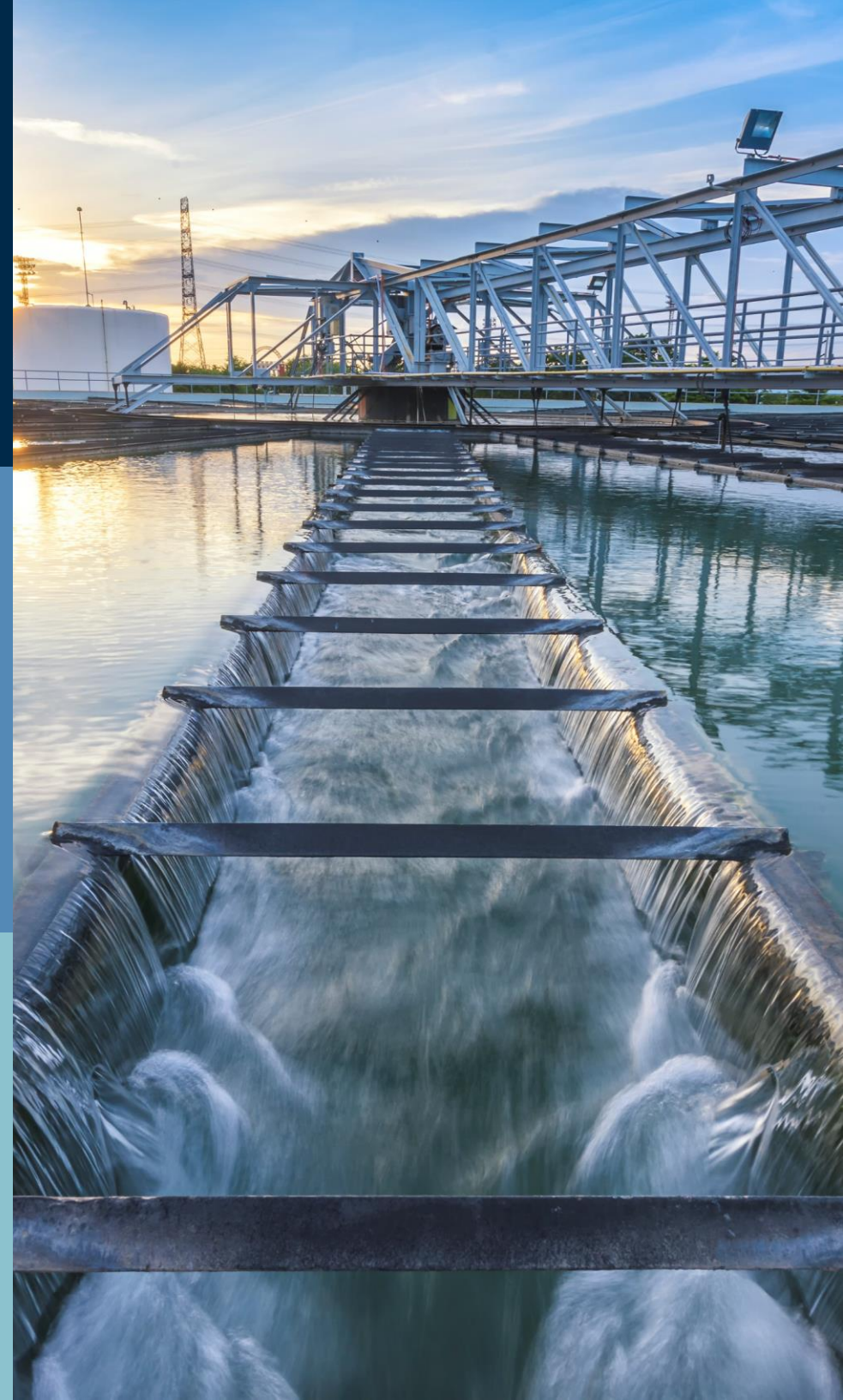
a portfolio company of

has been acquired by

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

SECTION 01

Deals in Focus



Infiltrator / ADS Acquires Orenco

Transaction Overview

- On September 30, 2024, Orenco Systems Inc. ("Orenco" or the "Company") was acquired by Infiltrator Water Technologies ("Infiltrator" or the "Buyer"), a wholly owned subsidiary of Advanced Drainage Systems Inc. ("ADS"), a publicly listed company on the NYSE (NYSE: WMS)
- The Raymond James team led a process including both financial and strategic buyers with either a demonstrated interest or prior experience or in the water and wastewater management sector
- The Buyer differentiated itself based on its direct involvement in the industry, valuation and high degree of speed and certainty of closing, with the Company ultimately achieving a multiple that was attractive to the shareholders
- Orenco's service offerings and end market exposure are highly complementary to Infiltrator and will allow the combined business to pursue more complex and higher margin projects for commercial, municipal and residential projects across the United States and internationally

Company Overview

- Orenco is a leading provider of a wide range of wastewater technologies including full-scale advanced treatment and collection systems, gravity and pump system products, replacement parts for onsite use, control panels and composite infrastructure
- The Company is a premier provider of innovative wastewater storage & treatment products, differentiated by its technical expertise and high quality manufacturing capabilities
- Orenco is dedicated to sustainability, research & development and improving user experience, with a commitment to resource efficiency

Buyer Rationale / Investment Thesis

- ADS sought an investment to strengthen its position in the water management solutions space and identified Orenco's complementary portfolio as a key lever to allow ADS to expand its distribution footprint and further penetrate the attractive segment
- "Orenco accelerates the Company's growth in the advanced wastewater treatment space, opening up new opportunities in a highly fragmented and fast-growing segment of onsite septic wastewater. We look forward to working with the Orenco team to continue building on both companies' strengths to deliver exceptional products and services to customers" - **Scott Barbour, President & CEO of ADS**

RJ Value Add

- Contact Brendan Tierney or Clancey Crowley for additional details.

Thorough Pre-Process
Preparation and Analysis

Tailored Outreach Strategy
and Effective Positioning

Critical Involvement in Financial
Planning & Analysis

GenNx360 Acquires Shenandoah

Transaction Overview

- On September 12, 2024, Shenandoah Industrial Solutions, LLC ("Shenandoah" or the "Company"), a former portfolio company of KLH Capital ("KLH") was acquired by GenNx360 Capital Partners ("GenNx360" or the "Buyer")
- The Raymond James team pursued a broad process including both financial and strategic buyers who demonstrated interest in stormwater and wastewater infrastructure services while addressing buyers' critical areas of concern including capital intensity and margin sustainability
- The Buyer differentiated themselves based on pre-marketing interest level, expedited diligence, valuation and high degree of certainty to close as well as utilization of an operating executive
- RJ positioned Shenandoah as a market leader providing mission critical stormwater and sanitary infrastructure services with several near-term opportunities for organic and inorganic growth

Company Overview

- Shenandoah is a leading provider of comprehensive non-discretionary stormwater and sanitary infrastructure inspection, cleaning, mapping and CIPP trenchless rehabilitation services
- The Company operates one of the largest fleets of vacuum / CCTV trucks along the coastal regions of Florida, which require consistent demand for the Company's services
- Shenandoah's attractive recurring financial profile through generating a majority of revenue from small job sizes and mandatory inspection services for the cleaning and maintenance of critical water infrastructure

Buyer Rationale / Investment Thesis

- GenNx360 identified Shenandoah as the market leading platform poised for growth in the stormwater and sanitary infrastructure cleaning and trenchless rehabilitation industry benefiting from scale and numerous industry tailwinds
- "Shenandoah is led by an impressive management team who has built an industry-leading platform with a strong culture built around customer service and safety. We look forward to supporting the Shenandoah team in executing upon their growth strategy" – **Monty Yort, Managing Partner at GenNx360**

RJ Value Add

- Contact Brendan Tierney or Sidarth Balaji for additional details.

Pre-Process Fire Side
Chats with Likely Buyers

Process Management:
Effective use of Lenders

Optimal Outcome for KLH:
Last Exit in Prior Fund

SECTION 02

Contribution Corner



U.S. Elections and Implications for the Water Industry

Contribution Corner:



As we finish the final lap of the U.S. presidential election, it's worth examining the long-term ramifications for the water and wastewater sectors. This includes the potential impacts on the regulatory landscapes, current and future public funding programs, private sector dynamics and the foundational precepts of federal agency authority.

In response to a flurry of requests from Bluefield Research clients, our team of water experts has delved into the potential impacts of the upcoming governing scenarios on the municipal utility service providers and industrial water and wastewater sectors. No matter what the election outcome is, there is no doubt that the decisions made in Washington will play a pivotal role in shaping the future of water.

Even while the political landscape has shifted dramatically this election cycle, the regulatory outcomes are set to take divergent paths depending on whether the Democrats or Republicans win control of the executive or legislative branches of government. A Kamala Harris presidency will certainly continue to focus on

water quality issues, including PFAS and lead service lines, as well as key climate and national security priorities of the Biden administration.

In contrast, a Trump Presidency, which is likely to follow a similar playbook as his previous term, will likely focus on means to removing federal permitting requirements, pushing authority away from federal agencies toward the states and the judiciary and curbing select Inflation Reduction Act ("IRA") initiatives. If there is an overlap in policy agendas, reshoring key industries, such as semiconductor fabrication and mitigating China's influence on key goods stand out among others.

Incremental Changes to Water Management Expected from a Democratic Victory

The Democrat's (*vis-à-vis* President Biden) heavy policy lift for the water sector has been enacted through a series of wide sweeping policy initiatives. A Kamala Harris administration would almost certainly follow suit in many respects.

Among these, the Infrastructure Investment & Jobs Act ("IIJA"), Water Infrastructure Finance and Innovation Act, Water Infrastructure Improvements for the Nation Act and Western Water stand out. These programs are targeting key issues such as clean and drinking water initiatives (e.g., Per- and polyfluoroalkyl substances ("PFAS")), lead service lines and climate-related impacts on water and wastewater infrastructure.

A Look at the Numbers

70.6%

Percentage of IIJA State Revolving Fund ("SRF") funds directed at State Drinking Water programs

29.4%

Percentage of IIJA SRF funds directed at Clean Water programs

10x

Multiple increase of IIJA appropriations for SRF programs over American Recovery & Reinvestment Act

9.2M

Number of lead service lines estimated by the EPA in 2021, with replacement costs projected as \$50B - \$80B

7.0B

Amount the IRA allocates to support the development of seven water-intensive hydrogen hubs in the U.S.

\$52.7B

Funding provided by the CHIPS and Science Act for American semiconductor research, development, manufacturing and workforce development

9.94%

Annual forecasted increase of water demand through 2030 for U.S. semiconductor industry

U.S. Elections and Implications for the Water Industry (cont.)

These do not include the indirect, water-related impacts associated with the Inflation Reduction Act (i.e., hydrogen, water for metal mining), the U.S. Chips and Science Act (i.e., semiconductor fabrication) and Build America, Buy America legislation.

Given that water touches everything, the role these laws play in water and wastewater management and market opportunities should not be discounted. The likelihood of any significant policy shifts from a Democratic White House is lower than that of a Trump administration. Rather, the expectation is that any moves would be more incremental, including further execution of the EPA's ongoing and pending guidance over water quality (i.e., PFAS and the Lead and Copper Rule), effluent guidelines and the rollout of other legislative priorities.

Trump Administration to Chip Away at Environmental Policies

In contrast, a second Trump administration would be poised to selectively scale back measures through administrative avenues and judicial challenges. During his first term, President Trump demonstrated no affinity for policymaking, which would be spearheaded by a newly appointed group of agency directors again in a second term. The central focus of their actions, with better understanding of the political landscape this time around, will likely be toward the acceleration

of permitting (i.e., weakening the National Environmental Policy Act), slowing the rollout of climate-related policies (i.e., the IRA) and the equity-related programs in the SRF programs.

More broadly, Trump was steadfast in pushing for overall authority retrenchment, budget cuts and deregulatory actions across the EPA through appointments and executive orders. Further, legal challenges (e.g., West Virginia vs. EPA, Sackett vs. EPA and Loper Bright Enterprises vs. Raimondo) are already poised to influence the federal government's authority going forward. These

factors could be employed to disrupt and delay key regulatory measures, such as PFAS, through administrative and judicial means set forth by corporations and industry groups.

It's worth noting that the fate of the EPA's regulatory agenda is paramount for water industry leaders scrutinizing the electoral tea leaves. Even under a democratically controlled White House and Congress, the agency's rulemaking authority remains at risk due to recent and pending Supreme Court decisions.

Exhibit: Political Sentiment Toward Existing Policies

Program	Republican Control		Democrat Control	
	White House	Congress	White House	Congress
Infrastructure Investment & Jobs Act				
- State Revolving Funds	↔	↓	↑	↔
- Emerging Contaminants (PFAS)	↔	↔	↑	↑
- Lead Service Lines	↑	↑	↑	↑
Inflation Reduction Act				
- Electric Vehicles	↓	↓	↑	↑
- Oil & Gas	↑	↑	↑	↓
- Hydrogen Economy	↓	↓	↑	↑
U.S. Chips & Science Act	↑	↑	↑	↑
Buy American, Build American	↑	↑	↑	↑
National Environmental Policy Act	↓	↓	↑	↑

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

U.S. Elections and Implications for the Water Industry (cont.)

PFAS Limits Face Pushback

One of the highest-profile pending regulatory initiatives impacting the water sector is the Biden administration and the EPA's proposed rules to establish nationwide drinking water limits (i.e., maximum contaminant levels [MCLs]) for six 'forever chemicals' (i.e., PFOA, PFOS, PFNA, PFHxS, PFBS) and HFPO-DA—also known as GenX.

On 10 April 2024, the EPA announced the final National Primary Drinking Water Regulations for these compounds and key milestones in 2027 and 2029—at which times, public water systems will need to monitor, report and reduce levels of contamination to under 4 parts per trillion (ppt) for PFOA and PFOS and under 10 ppt for the remaining compounds.

On 19 April 2024, following the EPA's announcement of drinking water MCLs, the EPA officially classified two chemicals, PFOA and PFOS, as 'hazardous substances' under the Superfund law (CERCLA). This decision, effective 60 days after publication in the Federal Register, gives the EPA and states the authority to investigate and clean up contaminated sites. It also allows private parties to take legal action against those responsible for contamination.

The recent categorization of PFAS as 'hazardous substances' under CERCLA, further complicates the issue, especially when considering wastewater utilities and biosolid disposal, which could

potentially be pulled into litigation and liability issues despite utilities being passive receivers of PFAS.

Bluefield's Take

The growing scale of PFAS contamination suggests that the financial challenge of taking inventory and remediation will far surpass Bluefield's current US\$13.5 billion forecast for drinking water systems by 2030. The primary inhibitors are responsibility, available capital to utilities and inventorying the scale of the problem. The recent categorization of PFAS as hazardous will also elevate the remediation costs significantly, especially when considering wastewater utilities could potentially be pulled into litigation and liability issues despite being passive receivers of PFAS. While the Biden administration has taken a clear stance on PFAS, the GOP has been relatively quiet about water quality compared to other environmental regulations since Trump left office in 2021.

The EPA's Office of Inspector General reported that Trump appointees during his first term attempted to obscure the scientific basis for PFAS regulation by interfering in toxicological assessments for PFBS and creating a de minimis exemption for manufacturers discharging PFAS. It can be expected that legal challenges from cities, states and industries will also influence any future funding and directives set forth by the EPA. This will be more apparent with a Republican-controlled Congress

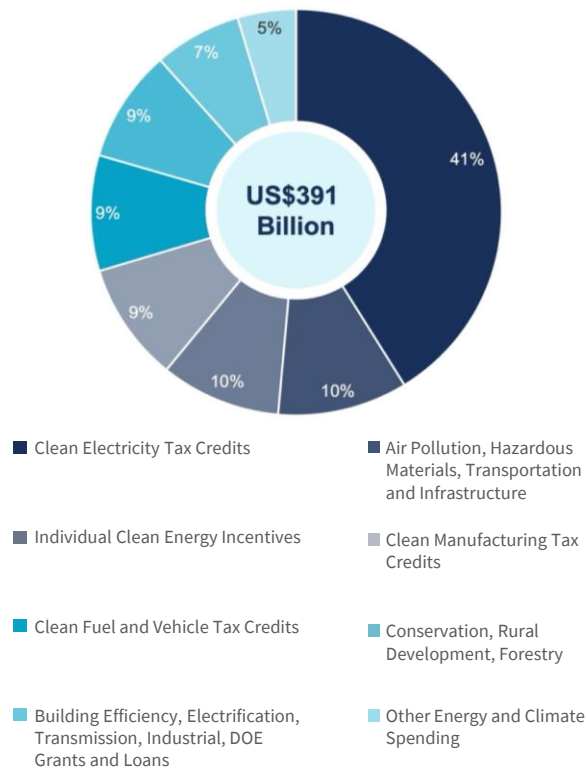
and White House. President Biden's EPA has already played its hand in its aggressive stance toward removing PFAS chemicals from drinking water supplies.

Inflation Reduction Act

The IRA of 2022, approved by the U.S. Congress in August 2022, aims to reduce domestic inflation caused by the global energy crisis while addressing climate change through clean energy investments. The Congressional Budget Office estimates that US\$391 billion in spending from the law's programs are related to climate and clean energy. The act's key goal is to reduce carbon emissions by approximately 40% by 2030. It includes various incentives such as grants, loans and tax provisions to accelerate the deployment of clean energy, vehicles, buildings and manufacturing. The IRA invests in expanding the electricity grid, developing domestic clean technology manufacturing, promoting electric vehicle adoption, reducing methane emissions, improving building efficiency and enhancing communities' climate resilience. A total of around US\$370 billion will be allocated for measures focused on improving energy security and accelerating clean energy transitions.

U.S. Elections and Implications for the Water Industry (cont.)

Exhibit: What's in the Inflation Reduction Act



Bluefield's Take on the IRA

The IRA presents a much clearer partisan fault line, with its tilt toward investments in renewable energy and climate provisions, which are squarely in the Republican party's crosshairs. It is worth noting that tax credits, rather than outlays, make up almost 60% of the clean energy benefits.

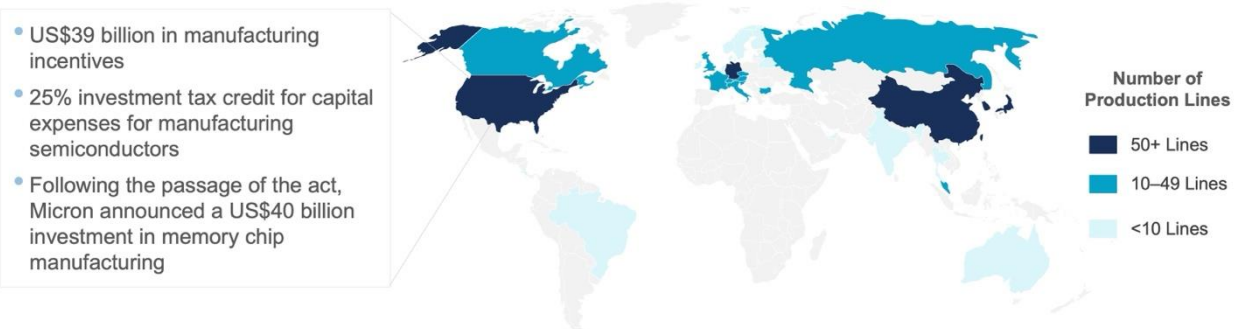
Absent new legislative actions, a GOP in the majority could wield multiple executive levers to undermine IRA implementation by tightening tax credit eligibility, curtailing loans and grants and revising pending Treasury Department rules. One potential victim could potentially be the appropriations for the development of water-intensive hydrogen projects (i.e., hydrogen hubs).

While the potential success of hydrogen remains in question at this early stage, any pullbacks from project demonstrations and cost declines would also impact potential opportunities for water and wastewater treatment solutions providers. Several House Republican legislators have made statements indicating their desire to repeal the IRA if given the opportunity. Bluefield currently forecasts \$26.0 billion in water management spend for hydrogen water management, globally, over the next decade. The IRA allocates US\$7.0 billion to support the development of seven hydrogen hubs in the U.S.

The U.S. CHIPS and Science Act

The CHIPS and Science Act provides US\$52.7 billion in federal subsidies to support semiconductor in federal subsidies to support semiconductor manufacturing in the U.S. The legislation aims to address severe semiconductor supply chain disruptions and bolster U.S. competitiveness in an industry crucial for national and economic security. U.S. semiconductor manufacturing capacity has declined from nearly 40% of global supply in 1990 to just 12% today. Over the next five years, US\$39.0 billion will be allocated for constructing semiconductor fabrication plants (fabs), with US\$2.0 billion specifically for mature semiconductors essential to the military, automotive and manufacturing industries. The remaining funds will support research and development and workforce cultivation to create a more robust domestic semiconductor production ecosystem.

Exhibit: Water-Related Impacts of the CHIPS Act



U.S. Elections and Implications for the Water Industry (cont.)

Bluefield's Take on the U.S. CHIPS and Science Act

The reshoring of manufacturing operations and supply chains back to North America appears locked on an inexorable path under either administration, driven by overarching geopolitical tensions, pandemic shocks exposing vulnerabilities and by national security priorities. Critical industries like semiconductor fabrication are a prime example, with the bipartisan CHIPS and Science Act incentives expected to unleash a wave of water-intensive microchip facility construction relatively insulated from the partisan fray. It can be expected that both candidates and political parties will continue to seek ways to overcome permitting and development delays. In terms of market development, Bluefield anticipates a near-term wave of project development and water solutions opportunities through the end of the decade. Thereafter, the market is likely to slow in the absence of additional federal funds.

If there is one thing that should be agreed upon, irrespective of political leanings, it is that access to reliable water and wastewater services for communities and industry represents a cornerstone upon which sustainable growth, public health and economic success are built. Our collective challenge, however, lies in recognizing the benefits reaped from 150 years of government leadership and investment in critical infrastructure that must continue going forward.

We at Bluefield will also be watching this election closely to see the impact on the future of water.

This is an excerpt from Bluefield's White Paper examining the impact of the election on 19 water-related policies. To download the complimentary white paper (24 pages) from our website, follow this link: [2024 Elections: Implications for the U.S. Water Industry](#).

About The Author:

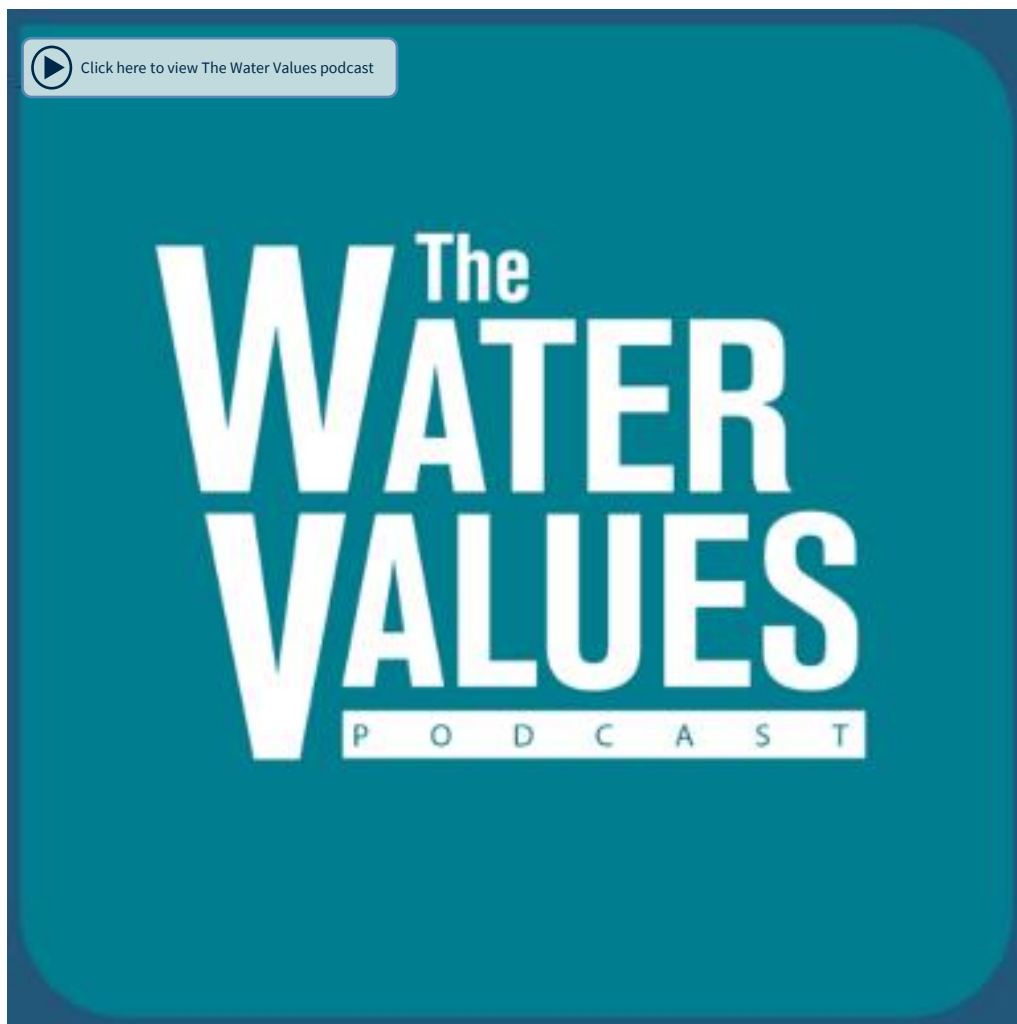


Reese Tisdale

Reese Tisdale is President & CEO of Bluefield Research, with extensive experience in industry research, strategic advisory, business strategies across the water, power and energy sectors.

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The Water Values Podcast is hosted by Dentons Bingham Greenebaum Partner, Dave McGimpsey - PFAS Eradication with Doug Hatler

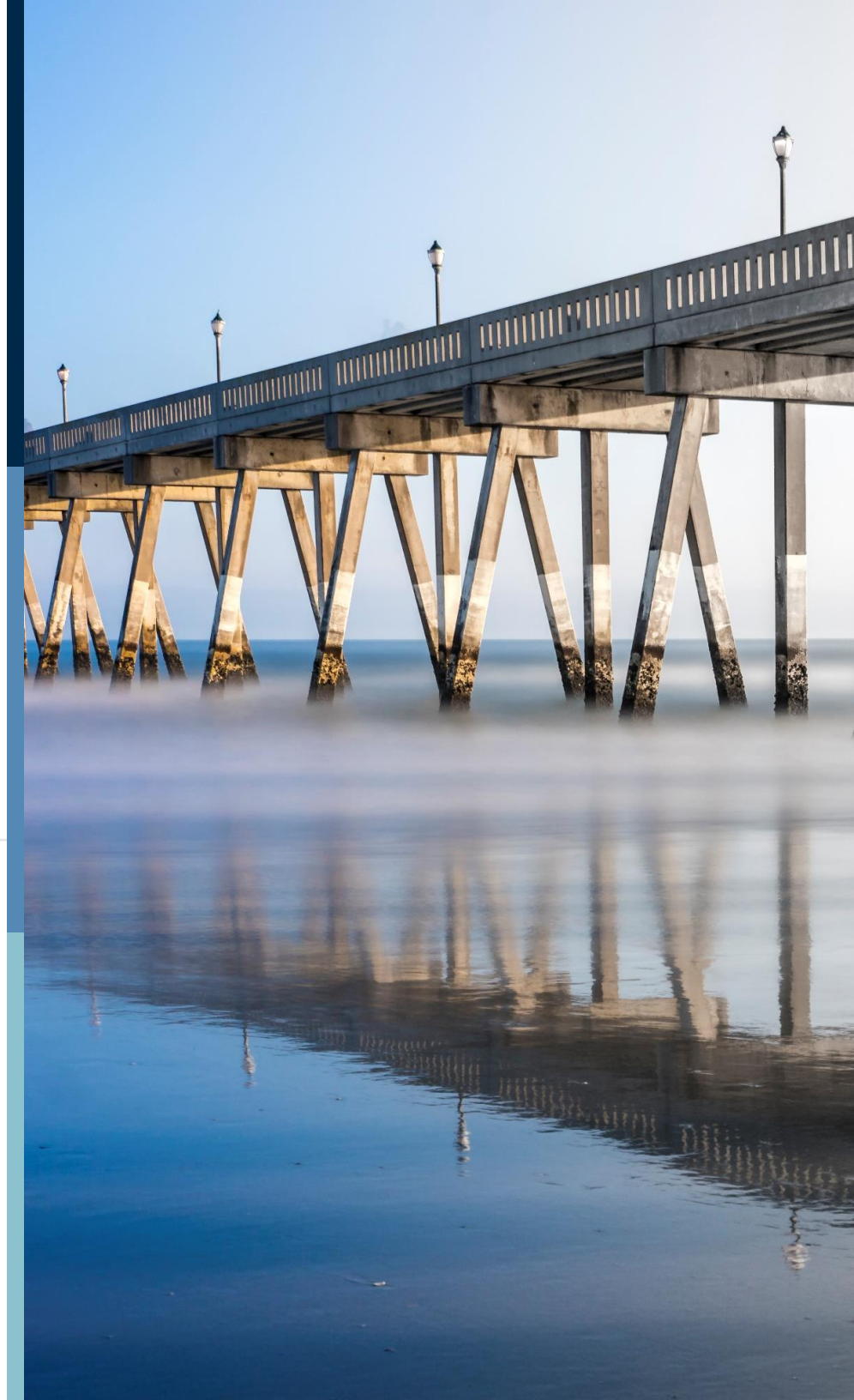


About The Water Values Podcast:

The Water Values Podcast series is presented in collaboration with Bluefield Research. This podcast series explores water issues from a variety of perspectives with the goal of uncovering the true value of water. Each episode will delve into one aspect of water, such as water utilities, water treatment, water resources, water reuse and more.

SECTION 03

Economic and Political Commentary



Economic thoughts of the week

WEEKLY ECONOMIC COMMENTARY
October 18, 2024



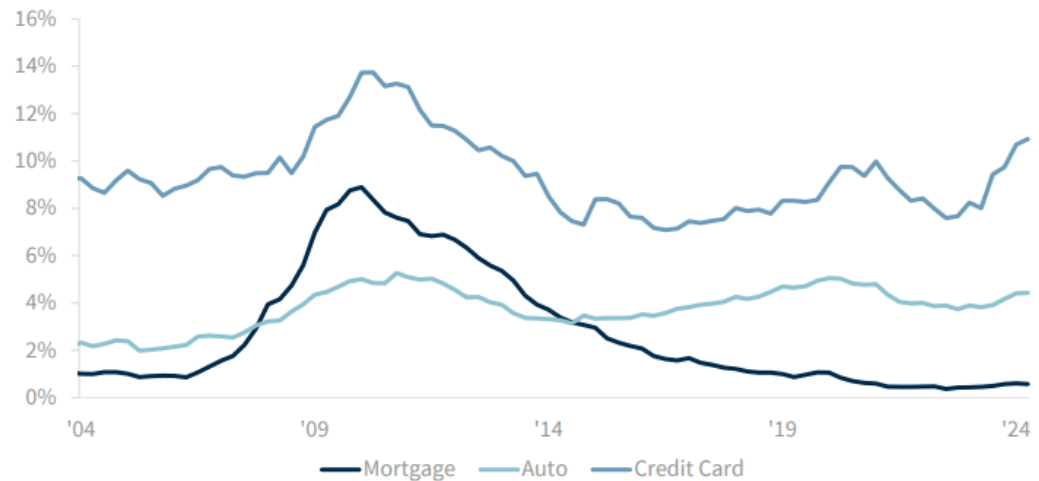
Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

US Economy Remained Strong in Q3

From current data, it is clear there are no signs the US economy is currently facing challenges. Yesterday’s retail and food services sales confirmed that barring any downward revision to September’s estimates, the US consumer finished another strong quarter. But the headline numbers are probably not giving a completely correct picture of the health of the US consumer. Clearly, higher-income consumer sectors continue to engage in the economy due to strong interest income earnings, strong stock market returns and thus a very strong increase in financial and housing wealth.

However, lower-income consumers are struggling, as shown by increased auto and consumer loan delinquencies. Business sector commentaries also show consumers penny-pinching and looking to save by changing brands and choosing more generic products. Yesterday’s retail and food services sales data also showed that the consumption of big-ticket items weakened considerably in September even though the overall retail report was relatively strong. These large discretionary purchases are typically the first indication of trouble in consumer land.

Percent of Balance 90+ Days Delinquent



Hopefully, the Federal Reserve’s strong move in interest rates in September plus the 50 basis points of expected rate cuts—one 25 bp cut in November and another 25 bp cut in December—will bring down interest rates and allow some recovery in these discretionary sectors over the next several quarters. We are still expecting some weakening in economic growth over the next several quarters but continue to expect the economy to achieve a soft landing.

Source: Raymond James Private Client Group, Source: FactSet, NYFed, RJ Economics.

Economic thoughts of the week (cont.)

WEEKLY ECONOMIC COMMENTARY
October 18, 2024



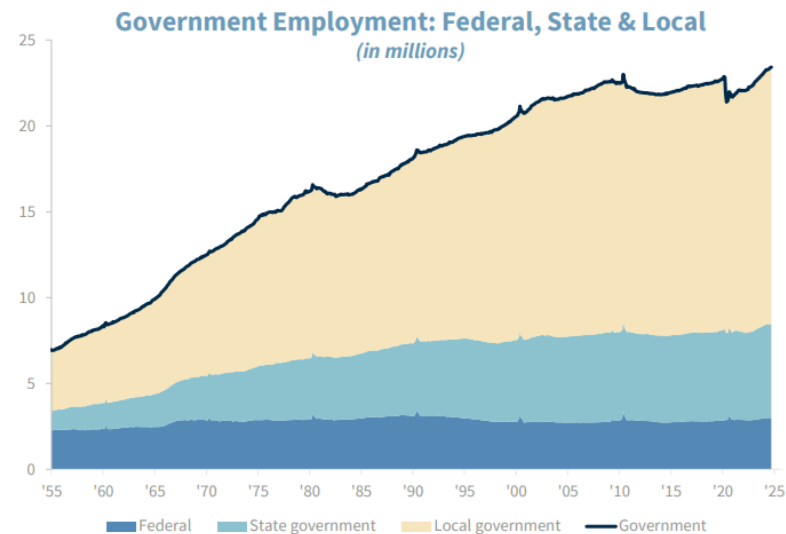
Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

Is the Sahm Rule signaling trouble? What about LEI, ISM Manufacturing and ISM Services?

Sometimes we are accused of being lenient on the US government in our presentations and speeches, but what we are is against misinformation. We could probably argue that the US government is not good at administering taxpayers' money. But that label has fit both parties equally over the decades. As trained economists, we live and die by the numbers and many of the things we hear and read are so way off that we feel that sometimes we have to intervene to settle the score.

For the record, one of us worked as a federal government employee. So, if I do not rely on the data, many will probably assume that I am biased. And, I do have very fond memories of my work with some exceptional colleagues in the federal government as well as the many great colleagues I have worked alongside within the private sector, which is the sector I have worked for during 97% of my career as a professional economist.

Back to our topic. One of the myths we have to tackle over and over again has to do with the size of the US government, which typically means the federal government. One way to measure the size of the US government is by looking at the number of workers. However, when we talk about the US government, we are not only referring to the federal government as is typically the case, but also to state and local governments. And if you measure the size of the different levels of government by the number of workers each one has, it is easy to see that the federal government is a highly efficient machine, as well as a very small one, at least by this measure!



Source: Raymond James Private Client Group, FactSet, RJ Economics.

Economic thoughts of the week (cont.)

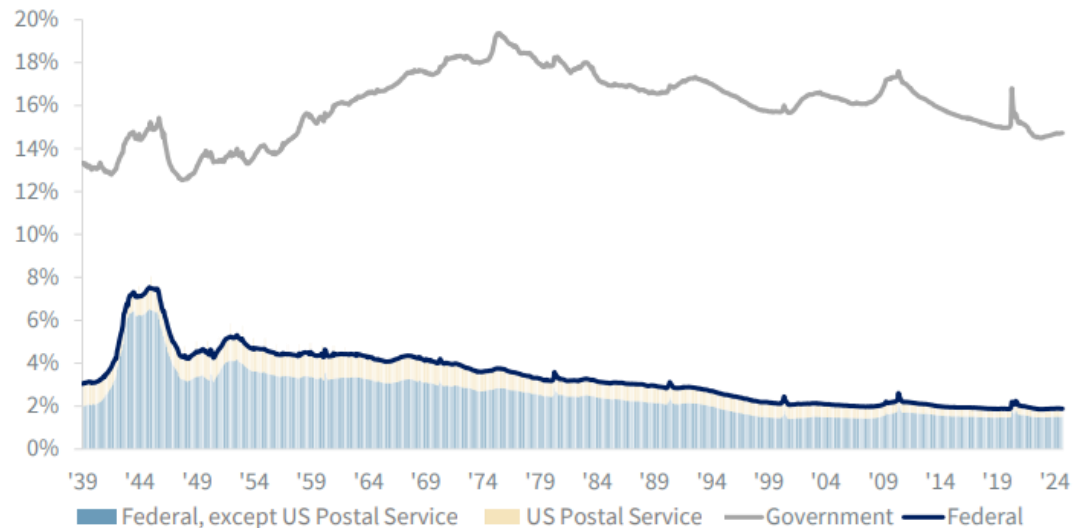
WEEKLY ECONOMIC COMMENTARY
October 18, 2024



Eugenio J. Aleman, Ph.D.
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The number of federal government employees in September of 2024 was about 3.0 million out of total nonfarm employment of more than 159 million, or barely 1.88% of the total. If we take out US Postal Service workers, the number declines to 2.4 million, which is about 1.5% of total nonfarm payrolls. ¹ Furthermore, federal government employees are about 12.8% of total government workers while the rest are state and local government workers. By the way, federal government workers as a percentage of total nonfarm payrolls was 3.05% in January of 1939! (See the graph below.)

Government Employment as a % of Nonfarm Employment



So, 87.2% of total government employment occurs at the state and local government levels, not at the federal government level. Thus, whenever people use federal government workers as scapegoats to criticize the federal government, they should remember that for the size of our economy, the size of our federal government workforce is negligible.

Furthermore, according to the Congressional Budget Office (CBO), of all the money spent by the federal government in compensation in 2022, “About 60 percent of that total was spent on civilian personnel working in the Department of Defense, the Department of Foreign Affairs and the Department of Homeland Security.”² Thus, we can criticize the US government for other reasons, but in terms of employment, federal government employment as a percentage of total employment has continued to decline. By the way, the spikes every ten years are due to temporary hiring for the US Census.

Source: Raymond James Private Client Group, FactSet, RJ Economics.

Tariff Tensions, Tech's Nuclear Pivot, & the Post- Chevron Landscape

WASHINGTON
POLICY RESEARCH
October 18, 2024



Edward Mills
Managing Director
Raymond James Equity Research

Week in Review:

Global trade tensions remain elevated as the EU and China prepare potential retaliatory tariffs on imported vehicles countermeasures, signaling concerns over future trade conflicts. The Supreme Court continued its deliberations on the EPA's regulatory reach in water pollution control, potentially reshaping environmental regulations post-Chevron. Meanwhile, the U.S. energy landscape continues to shift with large tech firms investing heavily in nuclear power to meet growing energy demands — particularly for AI and data centers — with continued calls for permitting reform to accelerate domestic nuclear energy development.

Looking Ahead:

Global trade tensions remain elevated as the EU and China prepare potential retaliatory tariffs on imported vehicles countermeasures, signaling concerns over future trade conflicts. The Supreme Court continued its deliberations on the EPA's regulatory reach in water pollution control, potentially reshaping environmental regulations post-Chevron. Meanwhile, the U.S. energy landscape continues to shift with large tech firms investing heavily in nuclear power to meet growing energy demands — particularly for AI and data centers — with continued calls for permitting reform to accelerate domestic nuclear energy development.

EU, China Tariff Countermeasure Plans Signal Concern Over Pending Global Trade Fights

Separate reporting this week of plans by both the European Union and China for potential tariff countermeasures (to U.S. and EU tariffs, respectively) underscore both material concerns around potential new tariffs (especially U.S. tariffs in the context of the pending presidential election) and the potential for fast-moving retaliation (and escalation) in the coming months. Per Bloomberg, the EU has "prepared a list of American goods" to potentially impose tariffs on if former President Donald Trump is re-elected and follows through on his calls to impose a global tariff or new duties directly targeted at the EU. While the article describes how the imposition of tariffs on U.S. goods is not the bloc's base case, the planning at this stage underscores the strong possibility — and our previously-stated view — that tariffs on the EU are an entirely possible outcome if Trump wins back control of the White House in 18 days. The article did not provide any information as to which U.S. sectors could be impacted by EU retaliatory tariffs; we will continue to provide updates as information becomes available. Separately, the Wall Street Journal reported that Beijing is considering whether to impose higher tariffs on imported internal combustion (IC) autos in the wake of the EU's moves to place tariffs of up to 45% on Chinese-made electric vehicles (EVs).

The EU move to impose new duties on Chinese EVs followed the May announcement that the U.S.

Tariff Tensions, Tech's Nuclear Pivot, & the Post- Chevron Landscape (cont.)

WASHINGTON
POLICY RESEARCH
October 18, 2024



Edward Mills
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would impose a new 100% tariff on Chinese EVs; we would note, however, that market penetration of Chinese EVs in Europe is considerably higher than in the U.S. Discussions in Beijing on the scope of potential tariffs on IC vehicles are still ongoing, but we view the deliberations as a warning signal to the EU of a desire to retaliate against the new duties — and of potential lines along which trade fights could expand in coming months.

Big Tech Goes Nuclear to Address U.S. Energy Demands, with Permitting Reform Remaining in Focus

As the 2024 presidential election approaches, the U.S. energy landscape remains a focal point, particularly nuclear energy. Recent developments highlight how both federal policy initiatives and private sector investments have begun to reshape the energy sector, with nuclear energy likely the path forward in meeting future energy needs for AI technologies and powering data centers. Notably, the Biden administration recently released \$900 million in funding to accelerate the deployment of small modular reactors (SMRs) across the U.S., reflecting a broader commitment to nuclear energy as a critical component of the nation's clean energy agenda. The funding will support the design and deployment of a first plant and to accelerate license approvals for later plants. This emphasis on nuclear power also underscores its potential role in meeting future energy needs, as demand surges from AI technology and data centers.

Underscoring the increasing need to address clean energy goals and the burgeoning needs of the tech sector, Amazon and Google's recent announcements of significant investments in nuclear power shift in the tech industry's approach to meeting its escalating energy demands, particularly driven by the growth of AI and data centers. Amazon announced it will invest \$500 million to help develop over 5 gigawatts of new nuclear power by 2039 and develop four advanced small modular reactors (SMRs) — potentially scaling up to 960 megawatts — represents the largest commercial deployment target for such reactors to date. Similarly, Google announced a partnership with Kairos Power to deploy 500 MW of advanced nuclear projects by 2035, signals a long-term commitment to nuclear energy that could accelerate the commercialization of advanced nuclear technologies. We would highlight that the entry of large tech firms as major power purchasers and investors could reshape traditional business models and power purchase agreements and can be viewed as the first step in a "dual partnership" model, where tech companies not only secure power for their data centers but also contribute to developing new power generation capacity. By effectively replacing the power they consume with new, clean energy sources, tech companies can mitigate potential pushback against their energy-intensive operations. This model could become increasingly prevalent, especially as policymakers show improved support for large data center deals that lead to new power generation.

Tariff Tensions, Tech's Nuclear Pivot, & the Post- Chevron Landscape (cont.)

WASHINGTON
POLICY RESEARCH
October 18, 2024



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Raymond James Equity Research

We would note that bipartisan support exists in DC for domestic nuclear energy development and more broadly energy permitting reform, suggesting there is likely to be continued momentum for advancing nuclear policy regardless of the outcome of the election. Notably, Deputy Energy Secretary David Turk has called for greater permitting action from Congress to boost clean energy projects stating that "Congressional leadership is needed to achieve our climate goals and permitting legislation specifically on grid transmission will be an important part of the equation". In terms of election outcomes, as previously discussed in our TMT Outlook, a potential Trump administration could see greater federal support for developing nuclear energy to fuel AI computing and data centers, while a Harris administration would likely continue President Biden's focus on renewable energy development, accelerating the integration of nuclear energy into the grid.

SCOTUS wades into EPA's regulatory reach post-Chevron

The Supreme Court's deliberations in *San Francisco v. EPA* mark a significant moment in environmental regulation and could potentially reshape the landscape of water pollution control in the post-Chevron era. The case centers on the Environmental Protection Agency's (EPA) authority to include broad, "generic" provisions in the city's water pollution permit focusing on environmental discharges that contribute to "a violation of any applicable water quality standard," which the EPA believes necessary to provide a crucial backstop to protect water quality. The city of San Francisco, backed by a coalition of industry groups including the U.S. Chamber of Commerce and the National Mining Association, argued that this language is vague and potentially exposes them to significant liabilities without clear compliance guidelines. During oral arguments, the justices' seemed skeptical of expansive federal regulatory authority and raised concerns about the practical consequences of limiting the EPA's flexibility in permit writing. We would highlight that this is first environmental case to reach the Supreme Court since the overturning of the Chevron doctrine, which previously directed judges to defer to agencies' reasonable interpretations of ambiguous federal laws. This debate highlights a broader tension between regulatory flexibility and the need for clear, enforceable standards in environmental protection. We would note that a ruling against the EPA could significantly alter the agency's approach to water pollution permitting, potentially leading to more stringent information requirements, longer permit processing times and increased compliance costs for industries and municipalities. Conversely, a decision favoring the EPA's position could maintain the status quo but potentially leave regulated entities facing uncertain compliance standards and liability risks. The court's focus on policy implications during the arguments, rather than on statutory interpretation or agency deference, suggests a shift in how environmental regulations may be evaluated post-Chevron. This could lead to more direct judicial involvement in technical policy judgments, potentially increasing regulatory uncertainty and litigation risks for businesses operating under environmental permits.

SECTION 04

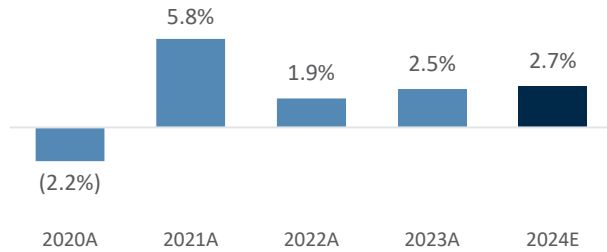
Sector and Economic Indicators



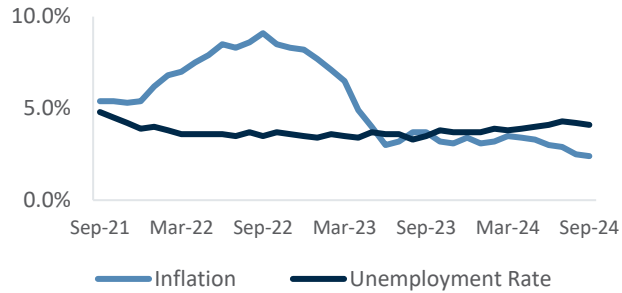
Macro indicators

U.S. ECONOMY

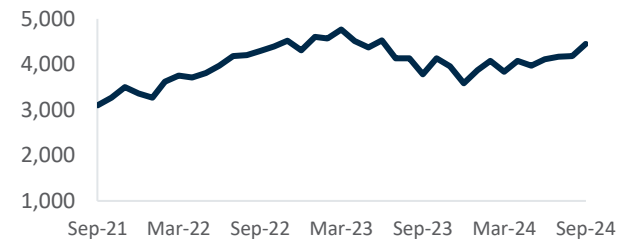
GDP GROWTH



INFLATION VS. UNEMPLOYMENT

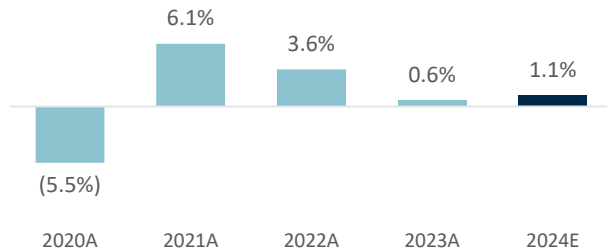


S&P 500 INDEX

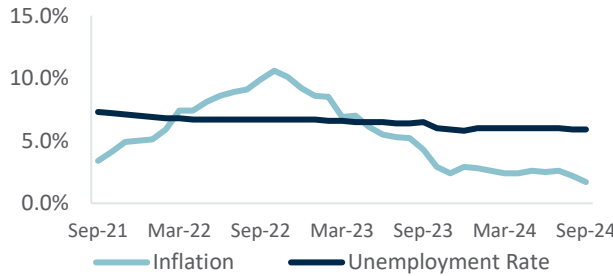


EUROPE ECONOMY

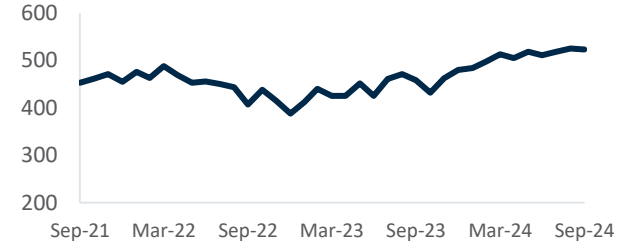
GDP GROWTH



INFLATION VS. UNEMPLOYMENT

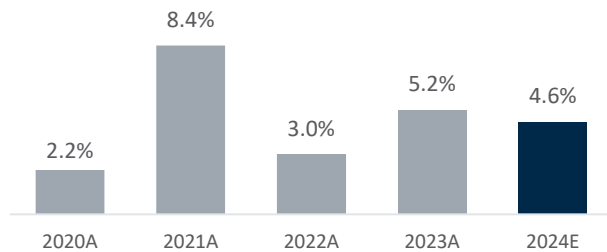


STOXX 600 INDEX

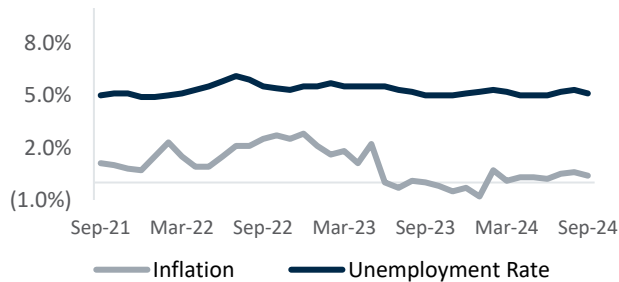


CHINA ECONOMY

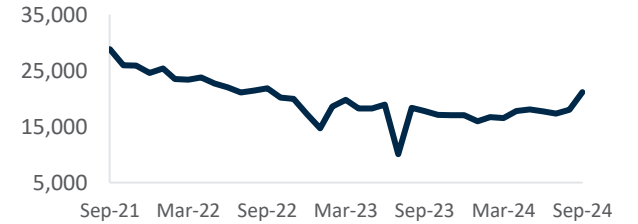
GDP GROWTH



INFLATION VS. UNEMPLOYMENT



HANG SENG INDEX



Source: Bloomberg, U.S. Bureau of Labor Statistics, National Bureau of Statistics of China, Market data as of 9/30/2024.

Select water end market indicators

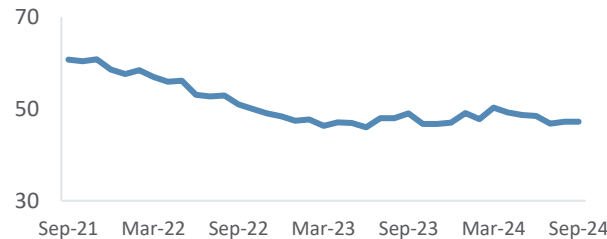
AGRICULTURE

U.S. CORN FUTURES (1)

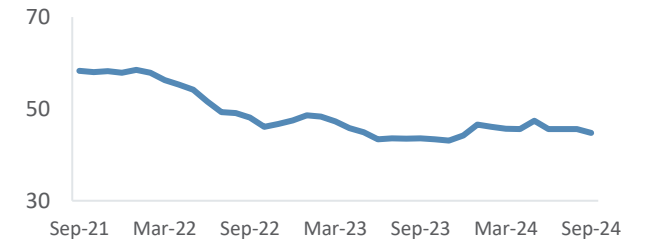


INDUSTRIAL

U.S. PMI

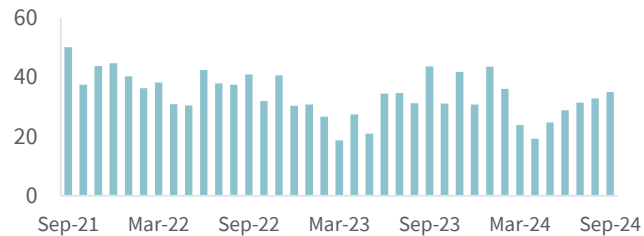


EU PMI

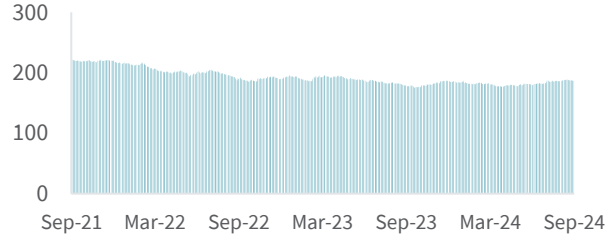


U.S. MUNICIPAL

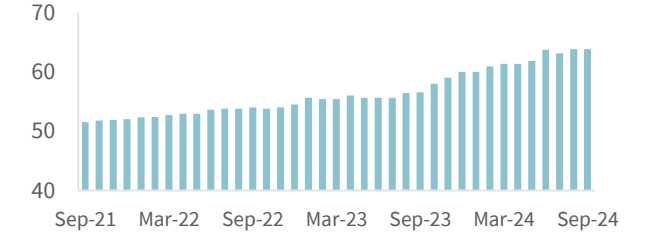
MUNI BOND ISSUANCE (\$ billions)



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

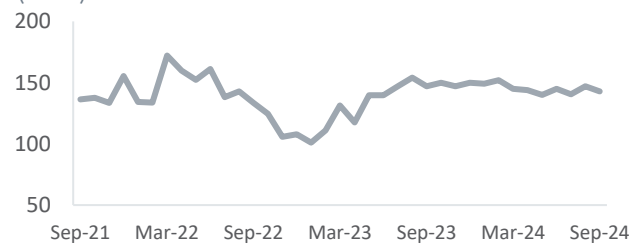


WATER UTILITY EMPLOYMENT (000s)

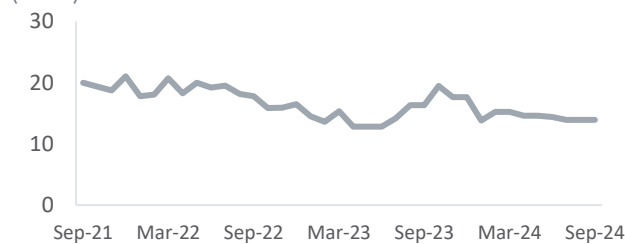


BUILDING / INFRASTRUCTURE

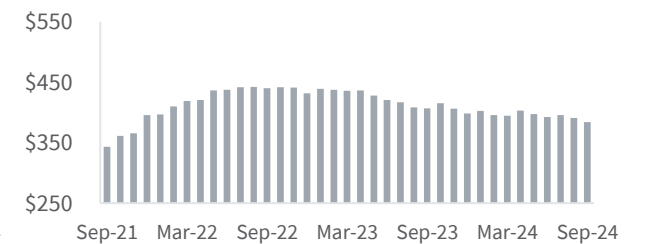
U.S. BUILDING PERMITS (000s)



GERMAN BUILDING PERMITS (000s)



U.S. DUCTILE IRON PIPE PRICE PER METRIC TON



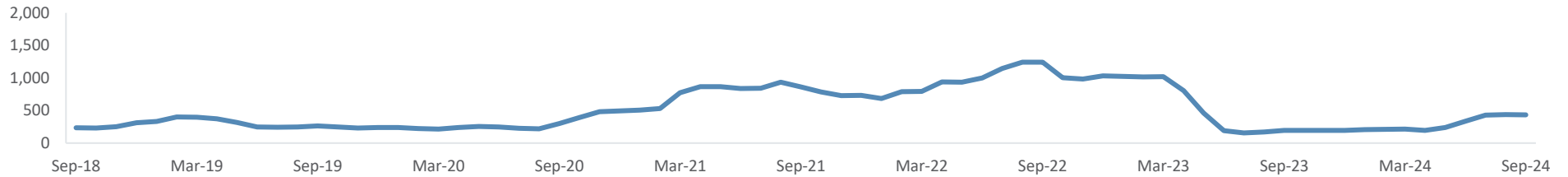
Source: Bloomberg, Municipal Securities Rulemaking Board, Bureau of Labor Statistics. Market data as of 9/30/2024.

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

Water scarcity indicators

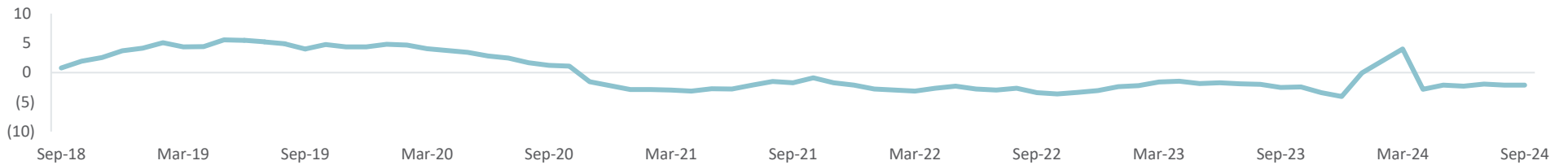
NASDAQ VELES CALIFORNIA WATER INDEX (NQH20)⁽¹⁾ (\$ PER ACRE FOOT)

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.



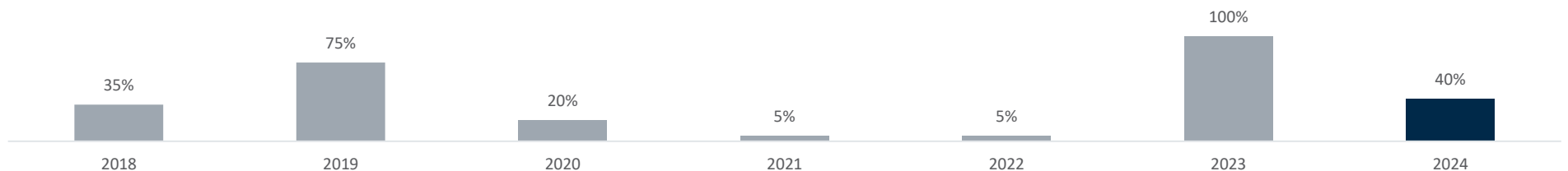
PALMER DROUGHT SEVERITY (“PDSI”) INDEX⁽²⁾

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 9/30/2024. 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 9/30/2024.

SECTION 05

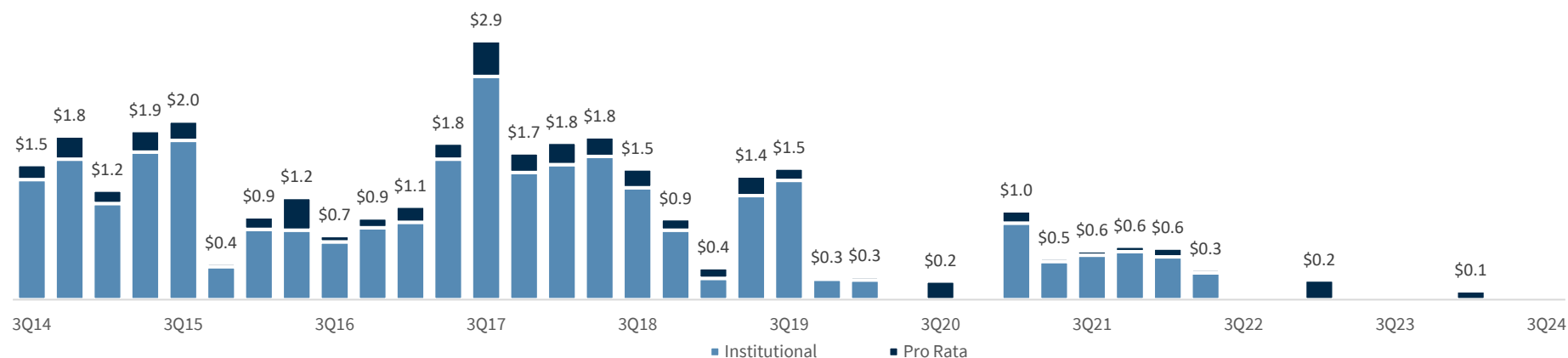
Trading and M&A Comparables



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 USD billions



RECENT WATER TRANSACTIONS					Transaction Value (\$mm)	EV / LTM	
Date Announced	Buyers/Investors	Target	Target Description		Revenue	EBITDA	
9/27/24	Water Engineering, Inc	Scientific Boiler Water Conditioning Co., Inc.	Provides water treatment services, equipment and chemicals	-	-	-	-
9/24/24	BluMetric Environmental Inc	Gemini Water, LLC	Designs, builds, installs and commissions large-scale desalination and wastewater treatment plants	\$5.1	-	-	-
9/24/24	OCU Group Limited	Purestream Industries Ltd	Offers water treatment and clean energy services	-	-	-	-
9/16/24	AllClear Underground Solutions, LLC	Engineered Spray Solutions, LLC	Offers structural rehabilitation and corrosion protection for water and wastewater assets	-	-	-	-
9/12/24	GenNx360 Capital Partners	Shenandoah Industrial Solutions, LLC	Provides program management, pipe cleaning and inspection, pipe rehabilitation and infrastructure rehabilitation services	-	-	-	-
9/9/24	Earth Finance, Inc	Water Foundry	Provider water strategy consulting services to solve water scarcity and water quality challenges	-	-	-	-
9/5/24	Rochester Midland Corporation	Industrial Water Technologies, Inc.	Offers a wide range of services across water treatment applications	-	-	-	-
9/5/24	Axius Water	MITA Water Technologies S.r.l.	Designs, manufactures and markets equipment for the purification and filtration of civil and industrial wastewater	-	-	-	-
9/5/24	Indicor, LLC	Ovarro Limited	Developer of remote telemetry units, remote monitoring systems and data analytics software	-	-	-	-
8/29/24	Rochester Midland Corporation	Norkem Inc/ Jacklyn Industries Inc/Solutions Water Management Inc	Provider of a boiler water, cooling water and wastewater treatment solutions	-	-	-	-
8/27/24	NV5 Global, Inc	California Water Resources Group	Provides statutory environmental regulatory compliance services for ports, waterways and watersheds	-	-	-	-
8/23/24	Vortex Companies, LLC	Premier Pipe USA	Manufacturer of cured-in-place pipe (CIPP) liners to rehabilitate damaged or deteriorated pipes	-	-	-	-
8/22/24	Precision Pipeline, LLC	Allegheny Contracting, LLC	Provides pipeline contracting services for oil and gas industries	-	-	-	-
8/20/24	Infiltrator Water Technologies, LLC	Orenco Systems, Inc.	Manufacturer and seller of wastewater collection and treatment systems	-	-	-	-
8/20/24	Landmark Aquatic, LLC	Commercial Pool Repair	Designs, constructs, maintains, repairs and renovates aquatic solutions	-	-	-	-

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
8/19/24	Core & Main, Inc	Substantially All Of The Assets of Green Equipment Company	Manufacturer of utility products and provider of comprehensive damage prevention solutions	-	-	-
8/13/24	Ipex Inc	Manufacturing assets in CPVC pipe business of Johnson Controls, Inc.	Operator of a machinery (industrial) company	-	-	-
8/13/24	Miramar Search Partners 2019, LP; Trilogy Search Partners, LLC	Infrastructure Technologies, LLC	Developer of an IT pipes platform that provides a comprehensive suite to get actionable intelligence from inspections	-	-	-
8/13/24	Ferguson Enterprises Inc	United Water Works, Inc.	Distributor of fire protection, water, sewer and storm drain materials	-	-	-
8/5/24	TJC LP	USALCO, LLC	Manufacturer and distributor of aluminum-based chemical commodities	-	-	-
7/29/24	Goldman Sachs Asset Mgmt L.P.; Stanley Capital Partners LLP	SePRO Corporation	Develops, manufactures and markets products for aquatics, turf and ornamental horticulture	-	-	-
7/15/24	A. O. Smith India Water Products Private Limited	Pureit Business	Offers a range of water purification solutions	\$71.9	2.1x	-
7/9/24	Core & Main, Inc	All assets of HM Pipe Products, Inc. and HM Pipe Products Kitchener Inc.	Distributes water and wastewater products	-	-	-
7/1/24	Fuss & O'Neill, Inc	Onsite Engineering, Inc.	Offers drinking water, wastewater and stormwater engineering and consulting services	-	-	-
6/28/24	Ground Water Treatment/Technology, LLC	Carbonworks USA, LLC	Offers water treatment services	-	-	-
6/27/24	CVC Capital Partners	M GROUP Services Limited	Provides a variety of infrastructure services	\$1,264.5	-	-
6/26/24	Rain Enhancement Technologies, Inc	Coliseum Acquisition Corp.	Aims to merge, exchange shares, acquire assets, or restructure with other businesses	-	-	-
6/26/24	Hayward Holdings, Inc.	ChlorKing, Inc.	Provider of water sanitization services	\$62.5	-	-
6/25/24	Compass Group Equity Partners	Integrity Pump & Motor Group LLC/Continental Pump Co	Manufactures a variety of water pumping services	-	-	-
6/24/24	TIGRIS Aquatic Services LLC	Aquatic Analysts, Inc.	Offers comprehensive environmental consulting and water management services	-	-	-
6/20/24	Clean Water Environmental Services	Florida Silt Fencing	Offers erosion control and stormwater management services	-	-	-
6/17/24	BlueTriton Brands, Inc.	Primo Water Corporation	Provider of sustainable hydration services in the large format water sector	\$23.0	-	-
6/11/24	Industrial and Financial Systems, IFS AB (publ)	Copperleaf Technologies Inc.	Provider of enterprise decision analytics software solutions	\$621.5	10.0x	-
6/10/24	Azuria Water Solutions, Inc.	Iron Horse Excavation, LLC	Provider of excavation, earthwork and site development services	-	-	-
6/5/24	NW Natural Water Company, LLC	Infrastructure Capital Holdings LLC	Provider of water, wastewater and energy utility services	\$34.0	-	-
6/4/24	Holland Pump Company	C&R Distribution, Inc.	Provider of drainage services	-	-	-
6/3/24	Interpump Group S.p.A.	Alfa Valvole Srl	Manufactures ball and trunnion valves and closing and metering pumps for a range of end markets	\$45.5	1.5x	-
5/22/24	Grundfos	Culligan Water (Commercial and Industrial Business)	Provider of water treatment services	-	-	-
5/14/24	New Mountain Capital	Consort Engineering	Transportation and water engineering and inspection firm providing structural assessments and construction services	-	-	-
5/9/24	Government Services Group, Inc	Convergence Controls & Engineering, LLC	Provides engineering services and specializes in designing and deploying industrial and commercial automated control systems	-	-	-
5/7/24	Sterling Investment Partners Advisors, LLC	Verdantas LLC	Project development and engineering consulting company that specializes in environment and infrastructure	-	-	-
5/6/24	Vessco Midco Holdings, LLC	G. A. Fleet Associates, Inc.	Operates as a distributor of water infrastructure solutions	-	-	-
5/3/24	Pro-Vac	HydroMax	Provider of hydro excavation services	-	-	-
5/3/24	Water Engineering, Inc.	JTA Solutions, Inc.	Provider of water and wastewater treatment solutions	-	-	-
4/30/24	Goldman Sachs Asset Management International	Adler and Allan Group Limited	Offers oil and environmental services	-	-	-
4/30/24	Ufenau Capital Partners AG; Ufenau VII Asset Light, SLP	IPP Group	Manufacturers extensive stockholder & bespoke fabricators of specialist piping products	-	-	-
4/29/24	Hydrite Chemical Co	Fife Water Services, Inc.	Supplier of water treatment and water process products and automation	-	-	-
4/29/24	Hydrite Chemical Co	Precision Polymer Corporation	Manufactures and distributes wastewater treatment chemicals	-	-	-
4/18/24	Precision Pipeline, LLC	SabCon Underground, LLC	Underground utility and natural gas pipeline contractor	-	-	-
4/17/24	AllClear Underground Solutions, LLC	Metals & Materials Engineers, LLC	Provider of stormwater repair, system rehabilitation and maintenance services	-	-	-
4/16/24	Optimar in As	Hyde Marine UV business of Industrie De Nora S.p.A.	Provider of UV technology for ballast water treatment and disinfection	-	-	-
4/8/24	Core & Main, Inc.	Geothermal Supply Company, Inc.	Distributor and fabricator of high-density polyethylene pipe and other related products	-	-	-
3/25/24	Core & Main, Inc	Substantially all of the assets of EGW Utilities, Inc.	Distributor of waterworks and plumbing products	-	-	-
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	-	-	-

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
2/29/24	Fortune Brands Innovations, Inc.	SpringWell Water Filtration Systems	Water treatment technology provider	\$103.8	-	-
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	-	-	14.8x
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	-	-	-
2/8/24	BRITA GmbH	LARQ, Inc.	Manufactures and sells self-cleaning water bottles and water purification systems	-	-	-
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	\$2.0	-	-
2/2/24	MIXER DIRECT, INC.	Branch Environmental Corp	Provides a range of environmental cleanup services responding to releases of contaminants to the environment	-	-	-
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	-	-	-
1/16/24	Verdant 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	\$0.1	-	-
1/12/24	Blackrock Funding Inc.	Global Infrastructure Management, LLC	Independent infrastructure investment fund	-	-	-
1/10/24	Edison Partners	120Water Audit	Digital water management provider	-	-	-
1/9/24	Business Opportunities for L'Oréal Development	Gjosa SA	Developer of water saving showerheads	-	-	-
1/9/24	Ferguson Enterprises Inc	Yorkwest Plumbing Supply Inc.	Distributor of plumbing, municipal, hydronics, institutional, H.V.A.C. and industrial products	-	-	-
1/9/24	Ferguson Enterprises Inc	Grove Supply, Inc.	Plumbing supply company that offers range of plumbing fixtures, fittings and accessories	-	-	-
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	Headwater Companies, LLC	Substantially all of the assets of LCA Pump, LLC	Missouri limited liability company which operates Water Works Pump	-	-	-
1/2/24	Myers Industries, Inc.	Signature Systems Group, LLC	Engineers, manufactures and distributes mats, turf protection systems and portable event flooring	\$344.0	3.1x	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	-	-	-
12/21/23	Roland Berger GmbH	Amanc Advisors & Partners Limited	Operates as a water strategic consulting firm	-	-	-
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	\$98.9	2.8x	-

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
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	-
11/3/23	Indiana American Water Company, Inc	Silver Creek Water Corporation	Provides water supply services	\$45.0	-	-
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 Enviroscope 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	-	-	-
10/16/23	Blue Wolf Capital Partners LLC; Stonepeak Partners LP	Logistec Corporation	Provider of sustainable water and energy solutions, offering services to promote environmental resilience	\$1,056.5	1.5x	17.8x
10/12/23	Foley Products	StormPrism	Underground stormwater storage system	-	-	-
10/4/23	nke SA	Aquaread Ltd.	Water monitoring solutions provider	-	-	-
10/3/23	Ember Infrastructure Management, LP	H2O Innovation Inc.	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	-	-	-
Median				\$54.0	1.7x	14.4x
Mean				\$213.3	2.7x	15.0x

Public company comparable universe

Set forth below, we have classified select publicly traded companies within the water universe into nine subsectors. We recently reclassified 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

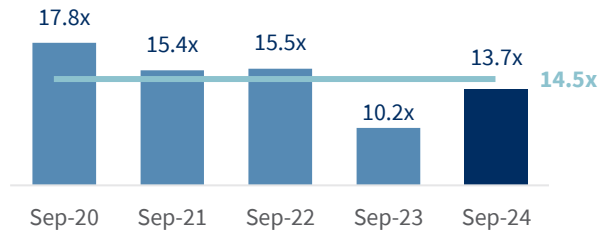


UTILITIES

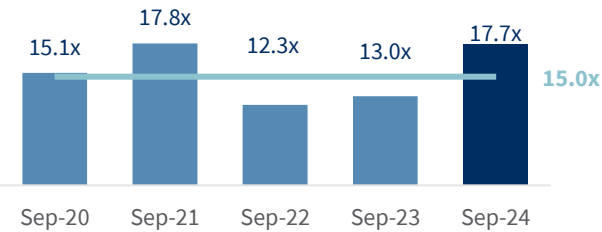


Public company valuation: EV / LTM EBITDA

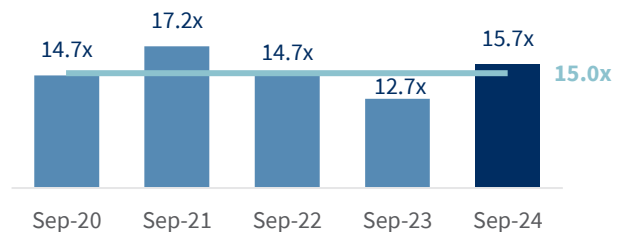
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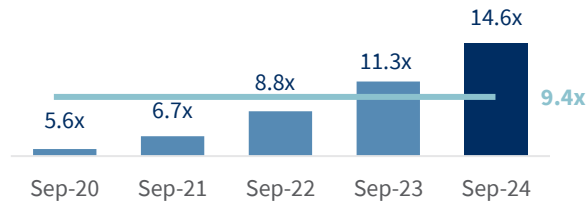
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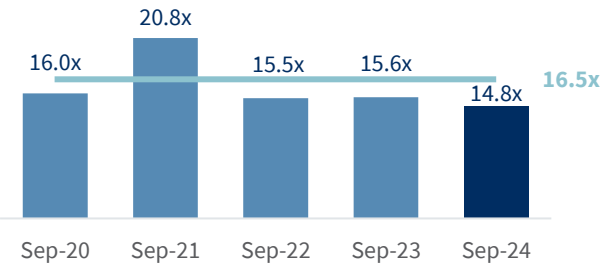
FLOW CONTROL



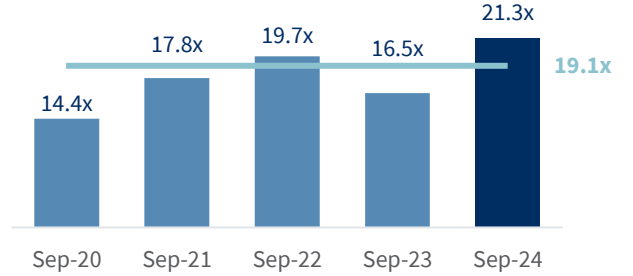
INFRASTRUCTURE



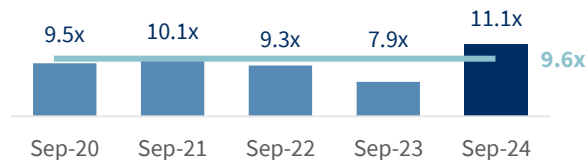
RESIDENTIAL & COMMERCIAL SERVICES



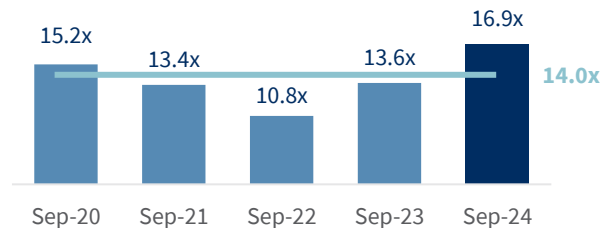
SMART TECH



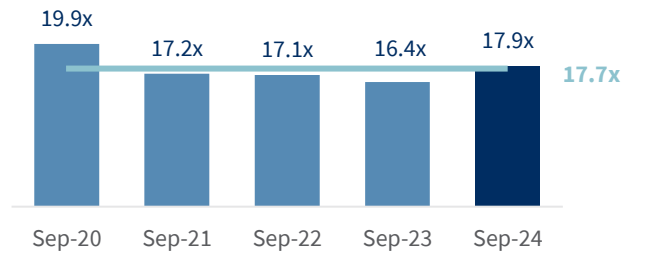
SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION



UTILITIES

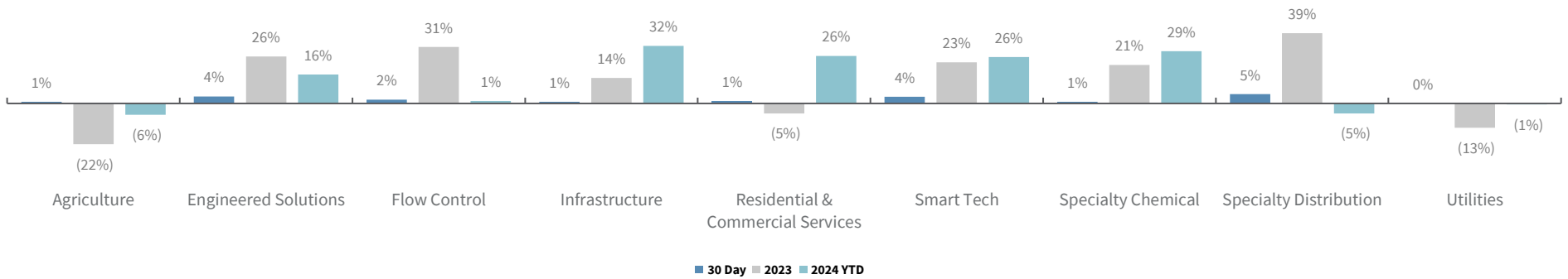


Source: CapIQ market data as of 9/30/2024.

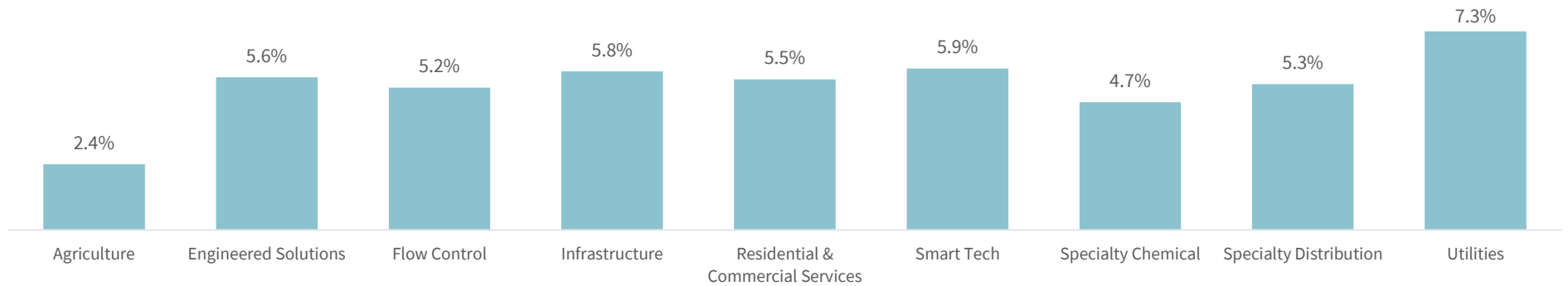
Note: Values represent the median EV / LTM EBITDA multiples for each sector at the specified date. For additional detail on the companies within each sector, see detail pages in the back of the newsletter. Light blue line and bold value represent the average of the five multiple medians shown.

Industry performance overview

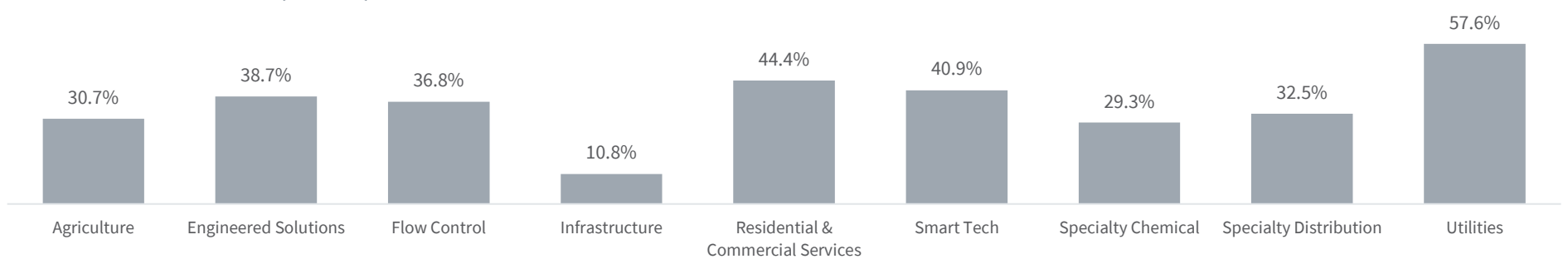
STOCK PRICE PERFORMANCE



REVENUE CAGR (2024-2026)



GROSS MARGIN (LTM)



Source: CapIQ market data as of 9/30/2024.

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 06

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>September 2024</p> <p>Orengo SYSTEMS</p> <p>has been acquired by</p> <p>INFILTRATOR</p> <p>a wholly owned subsidiary of</p> <p>ADS</p> <p>Advanced Drainage Systems, Inc.</p>	<p>September 2024</p> <p>SHENANDOAH</p> <p>a portfolio company of</p> <p>KLH CAPITAL</p> <p>has been acquired by</p> <p>Gen.Nx360</p>	<p>July 2024</p> <p>SePNO</p> <p>a portfolio company of</p> <p>has received a majority investment from</p> <p>STANLEY</p> <p>and a minority co-investment from</p> <p>Gottman Alternatives</p>	<p>December 2023</p> <p>MUNICIPAL DISTRICT SERVICES</p> <p>has been acquired by</p> <p>FCC</p> <p>Aqualia</p>	<p>December 2023</p> <p>Ember Infrastructure</p> <p>has acquired</p> <p>h2o</p> <p>has acquired</p> <p>C\$395,000,000</p>
<p>August 2023</p> <p>ENVIRONMENTAL SITE SOLUTIONS</p> <p>a portfolio company of</p> <p>newterra</p> <p>has been acquired by</p> <p>Frontenac</p>	<p>August 2023</p> <p>SES</p> <p>a portfolio company of</p> <p>ROSEWOOD PRIVATE INVESTMENTS</p> <p>has been acquired by</p> <p>PALLADIUM</p>	<p>July 2023</p> <p>Hydro</p> <p>from funds advised by</p> <p>AGLITAS</p> <p>has been acquired by</p> <p>Oldcastle Infrastructure</p> <p>a company of</p> <p>ENR</p>	<p>June 2023</p> <p>TREATMENT TECHNOLOGIES</p> <p>a subsidiary of</p> <p>SHELTON ASSOCIATES</p> <p>has been acquired by</p> <p>INFRAMARK</p> <p>a portfolio company of</p> <p>ENR</p>	<p>June 2023</p> <p>GWTT</p> <p>a portfolio company of</p> <p>HUDSON FERRY CAPITAL</p> <p>has been acquired by</p> <p>Ember Infrastructure</p>
<p>February 2023</p> <p>Morgan Stanley CAPITAL PARTNERS</p> <p>has acquired</p> <p>APEX</p> <p>a portfolio company of</p> <p>Sentinel</p>	<p>December 2022</p> <p>COMVEST PARTNERS</p> <p>has acquired</p> <p>DUKE'S ROOT CONTROL, INC.</p> <p>a portfolio company of</p> <p>Altamont</p>	<p>September 2022</p> <p>TRILL IMPACT</p> <p>has entered into a growth partnership with</p> <p>komet</p>	<p>June 2022</p> <p>UGSI Solutions</p> <p>a portfolio company of</p> <p>RIVERBEND CAPITAL</p> <p>has been acquired by</p> <p>Baird Capital</p>	<p>March 2022</p> <p>AQUA CHEM</p> <p>GLOBAL WATER SOLUTIONS</p> <p>has been acquired by</p> <p>saur</p>
<p>December 2021</p> <p>AqueoUSVETS</p> <p>has been acquired by</p> <p>BainCapital</p> <p>DOUBLE IMPACT</p>	<p>November 2021</p> <p>LP Lindsay</p> <p>has been acquired by</p> <p>MiddleGround Capital</p>	<p>August 2021</p> <p>AdEdge</p> <p>has been acquired by</p> <p>CHART</p>	<p>July 2021</p> <p>QUALITY WATER SERVICE</p> <p>has been acquired by</p> <p>waterlogic</p>	<p>June 2021</p> <p>Anaergia</p> <p>Breaking Barriers to Sustainability</p> <p>Initial public offering</p> <p>C\$175,000,000</p>
<p>June 2021</p> <p>Audax Group</p> <p>has acquired</p> <p>SJE RHOMBUS</p>	<p>March 2021</p> <p>kendo</p> <p>Private Placement</p>	<p>March 2021</p> <p>CMD</p> <p>a portfolio company of</p> <p>TENEX CAPITAL MANAGEMENT</p> <p>has been acquired by</p> <p>FLUIDRA</p> <p>\$245,000,000</p>	<p>March 2021</p> <p>Itron</p> <p>Follow-on Offering</p> <p>\$350,000,000</p>	<p>November 2020</p> <p>GRAYSON</p> <p>has acquired</p> <p>VESCO</p> <p>a portfolio company of</p> <p>O2 City Environmental Partners, LLC</p>
<p>June 2020</p> <p>AQUAM</p> <p>simultaneous carve-out divestitures of</p> <p>Water SERVICES and ORRIS</p> <p>by way of an MBO backed by</p> <p>CADENCE</p>	<p>May 2020</p> <p>energy recovery</p> <p>Block Trade</p> <p>\$11,200,000</p>	<p>May 2020</p> <p>DANAHER</p> <p>Equity and Preferred Offering</p> <p>\$3,500,000,000</p>	<p>March 2020</p> <p>eVOQUA</p> <p>WATER TECHNOLOGIES</p> <p>Follow-On Offering</p> <p>\$253,500,000</p>	<p>January 2020</p> <p>Desalitech</p> <p>has been acquired by</p> <p>DUPONT</p>

SECTION 07

Water Conference Calendar



Upcoming water conference calendar

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

			Global conference aimed at connecting water professionals in the water and energy markets
2/10/2025 - 2/12/2025	Valencia, Spain		
			The world's largest trade show for wastewater and environmental service professionals
2/17/2025 - 2/20/2025	Indianapolis, IN		
			Global summit for water industry leaders as well as investors from around the world
2/25/2025 - 2/26/2025	London, UK		
			Global trade event focused on showcasing innovations and solutions in the water treatment, wastewater and water purification space
3/11/2025 - 3/14/2025	Amsterdam, NL		
			Conference aimed to explore the opportunities and barriers for reuse of water
3/16/2025 - 3/20/2025	Cape Town, ZA		
			Largest trenchless technology conference in the world
3/30/2025 - 4/3/2025	Denver, CO		
			Most comprehensive gathering of water treatment professionals connecting technology and industry knowledge
4/22/2025 - 4/24/2025	Long Beach, CA		
			Largest annual global water conference focused on solving the greatest challenges in water
8/24/2025 - 8/28/2025	Stockholm, SWE		
			The largest event of its kind in North America, offering water quality education and training
9/27/25 - 10/1/25	Chicago, IL		

Appendix



Comparable companies detail

As of 09/30/2024.
(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			
							Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR '22 - '24	'24 - '26	LTM		EV / Revenue		EV / EBITDA			
													Gross	Net	LTM	NTM	LTM	NTM		
Agriculture																				
CNH Industrial N.V.	NYSE	United States	\$11.10	83%	120%	4.2%	\$39,548	\$13,917	\$23,084	\$2,894	22.3%	12.5%	(6.1%)	1.7%	9.4x	8.8x	1.7x	1.9x	13.7x	15.1x
Lindsay Corporation	NYSE	United States	\$124.64	91%	117%	1.2%	\$1,339	\$1,357	\$607	\$98	31.5%	16.1%	(21.2%)	6.5%	1.3x	-	2.2x	2.0x	13.7x	13.5x
The Toro Company	NYSE	United States	\$86.73	85%	112%	1.8%	\$9,789	\$8,900	\$4,491	\$666	34.2%	14.8%	(1.4%)	2.9%	1.7x	1.3x	2.2x	2.1x	14.7x	13.0x
Valmont Industries, Inc.	NYSE	United States	\$289.95	94%	154%	0.7%	\$6,904	\$5,847	\$4,053	\$599	29.9%	14.8%	(5.1%)	2.0%	1.8x	1.4x	1.7x	1.7x	11.5x	11.3x
Mean						2.0%	\$14,395	\$7,505	\$8,059	\$1,064	29.5%	14.6%	(8.4%)	3.2%	3.5x	3.9x	2.0x	1.9x	13.4x	13.2x
Median						1.5%	\$8,347	\$7,373	\$4,272	\$632	30.7%	14.8%	(5.6%)	2.4%	1.7x	1.4x	1.9x	2.0x	13.7x	13.3x
Engineered Solutions																				
A. O. Smith Corporation	NYSE	United States	\$89.83	97%	138%	1.8%	\$13,033	\$13,101	\$3,894	\$809	38.2%	20.8%	7.0%	3.5%	0.2x	-	3.3x	3.2x	16.1x	14.8x
Advanced Drainage Systems, Inc.	NYSE	United States	\$57.16 kr	85%	154%	0.4%	\$13,031	\$12,184	\$2,912	\$860	39.4%	29.5%	(6.6%)	6.6%	1.6x	1.0x	4.5x	4.3x	15.1x	13.4x
Alfa Laval AB (publ)	OM	Sweden	\$487.60	98%	144%	1.6%	\$20,953	\$19,871	\$6,555	\$1,185	33.9%	18.1%	40.0%	4.3%	1.1x	0.7x	3.2x	2.9x	17.7x	14.1x
DuPont de Nemours, Inc.	NYSE	United States	\$89.11	99%	146%	1.8%	\$43,881	\$37,218	\$12,058	\$2,894	36.0%	24.0%	(4.6%)	5.6%	2.7x	2.2x	3.6x	3.4x	15.2x	13.5x
Halma plc	LSE	United Kingdom	\$26.08	95%	145%	0.9%	\$14,060	\$13,185	\$2,569	\$569	49.7%	22.2%	46.1%	5.9%	1.8x	1.4x	5.5x	4.8x	24.7x	20.2x
IDEX Corporation	NYSE	United States	\$214.50	87%	117%	1.4%	\$16,854	\$16,238	\$3,190	\$865	44.3%	27.1%	3.2%	6.0%	1.5x	0.7x	5.3x	5.1x	19.5x	18.3x
METAWATER Co., Ltd.	TSE	Japan	\$1,780.00	74%	115%	2.7%	\$402	\$542	\$1,053	\$80	21.2%	7.6%	10.4%	2.9%	1.8x	-	0.4x	0.3x	5.0x	5.0x
Pentair plc	NYSE	United States	¥97.79	100%	171%	0.9%	\$17,855	\$16,184	\$4,095	\$979	38.7%	23.9%	(0.4%)	4.5%	-	-	4.4x	4.3x	18.2x	17.0x
Verato Corporation	NYSE	United States	\$111.86	99%	171%	0.3%	\$29,381	\$27,641	\$5,136	\$1,281	59.4%	24.9%	-	5.7%	2.2x	1.4x	5.7x	5.5x	22.9x	22.1x
Mean						1.3%	\$18,828	\$17,352	\$4,607	\$1,058	40.1%	22.0%	11.9%	5.0%	1.6x	1.2x	4.0x	3.8x	17.2x	15.4x
Median						1.4%	\$16,854	\$16,184	\$3,894	\$865	38.7%	23.9%	5.1%	5.6%	1.7x	1.2x	4.4x	4.3x	17.7x	14.8x
Flow Control																				
Flowserve Corporation	NYSE	United States	\$51.69	96%	146%	1.6%	\$7,777	\$6,791	\$4,504	\$552	30.9%	12.3%	12.8%	3.9%	2.6x	1.7x	1.7x	1.7x	14.1x	11.9x
Franklin Electric Co., Inc.	NASDAQGS	United States	\$104.82	97%	127%	1.0%	\$4,925	\$4,787	\$2,016	\$315	35.2%	15.6%	0.6%	5.3%	0.6x	0.4x	2.4x	2.3x	15.7x	14.8x
Graco Inc.	NYSE	United States	\$87.51	92%	125%	1.2%	\$14,164	\$14,783	\$2,131	\$647	53.6%	30.4%	0.2%	5.3%	-	-	6.6x	6.4x	21.9x	19.3x
Mueller Water Products, Inc.	NYSE	United States	\$21.70	100%	179%	1.2%	\$3,615	\$3,381	\$1,268	\$259	34.4%	20.4%	2.5%	-	1.8x	0.9x	2.9x	2.7x	14.0x	12.3x
Rotork plc	LSE	United Kingdom	£3.33	92%	116%	2.4%	\$3,642	\$3,799	\$943	\$234	48.4%	24.9%	14.7%	5.2%	-	-	3.9x	3.5x	15.5x	13.9x
Sulzer Ltd	SWX	Switzerland	138.40 CHF	99%	191%	2.8%	\$5,828	\$5,552	\$3,761	\$478	33.8%	12.7%	9.7%	4.2%	2.7x	0.5x	1.5x	1.4x	12.2x	9.4x
The Gorman-Rupp Company	NYSE	United States	\$38.95	92%	135%	1.9%	\$1,382	\$1,022	\$658	\$119	31.3%	18.1%	13.4%	-	3.2x	2.9x	2.1x	2.0x	11.6x	11.1x
The Weir Group PLC	LSE	United Kingdom	£21.66	97%	131%	1.8%	\$8,490	\$7,488	\$3,214	\$541	38.6%	16.8%	11.7%	5.4%	3.2x	1.7x	2.6x	2.4x	15.7x	11.0x
Watts Water Technologies, Inc.	NYSE	United States	\$207.19	94%	123%	0.9%	\$6,886	\$6,910	\$2,220	\$429	47.0%	19.3%	7.2%	2.6%	0.6x	-	3.1x	3.1x	16.0x	15.6x
Xylem Inc.	NYSE	United States	\$135.03	92%	154%	1.1%	\$34,094	\$32,798	\$8,396	\$1,622	36.8%	19.3%	25.7%	5.4%	1.3x	0.8x	4.1x	3.9x	21.0x	18.3x
Zurn Elkay Water Solutions Corporation	NYSE	United States	\$35.94	100%	143%	0.9%	\$6,526	\$6,143	\$1,541	\$326	44.3%	21.1%	7.9%	4.8%	1.7x	1.2x	4.2x	4.1x	20.0x	16.5x
Mean						1.5%	\$8,848	\$8,496	\$2,786	\$502	39.5%	19.2%	9.7%	4.7%	2.0x	1.3x	3.2x	3.0x	16.2x	14.0x
Median						1.2%	\$6,526	\$6,143	\$2,131	\$429	36.8%	19.3%	9.7%	5.2%	1.8x	1.0x	2.9x	2.7x	15.7x	13.9x
Infrastructure																				
Northwest Pipe Company	NASDAQGS	United States	\$45.13	98%	176%	-	\$625	\$448	\$472	\$57	17.9%	12.1%	3.0%	1.4%	3.2x	3.1x	1.3x	1.3x	10.9x	9.2x
AECOM	NYSE	United States	\$103.27	99%	139%	0.8%	\$15,540	\$13,845	\$15,837	\$1,067	6.6%	6.7%	11.0%	-	3.0x	1.4x	1.0x	0.9x	14.6x	13.5x
Fluor Corporation	NYSE	United States	\$47.71	92%	148%	-	\$6,701	\$8,172	\$15,743	\$450	3.8%	2.9%	11.2%	8.1%	2.5x	-	0.4x	0.4x	14.9x	9.2x
Northwest Pipe Company	NASDAQGS	United States	\$45.13	98%	176%	-	\$625	\$448	\$472	\$57	17.9%	12.1%	3.0%	1.4%	3.2x	3.1x	1.3x	1.3x	10.9x	9.2x
Orion Group Holdings, Inc.	NYSE	United States	\$5.77	48%	141%	-	\$361	\$225	\$723	\$26	10.5%	3.7%	9.0%	-	5.4x	5.2x	0.5x	0.4x	13.7x	7.1x
Primoris Services Corporation	NYSE	United States	CAD 58.08	96%	201%	0.4%	\$4,257	\$3,117	\$6,021	\$399	10.8%	6.6%	17.7%	5.8%	3.4x	2.9x	0.7x	0.7x	10.7x	10.6x
Stantec Inc.	TSX	Canada	\$108.76	89%	132%	0.7%	\$10,792	\$9,183	\$3,962	\$539	54.3%	13.6%	14.7%	7.5%	3.2x	2.9x	2.7x	2.4x	20.0x	14.2x
Tetra Tech, Inc.	NASDAQGS	United States	€47.16	98%	164%	0.5%	\$13,467	\$12,623	\$4,235	\$568	19.7%	13.4%	26.3%	4.2%	1.9x	1.5x	3.2x	3.0x	23.7x	21.5x
Mean						0.6%	\$7,392	\$6,802	\$6,713	\$444	17.7%	8.4%	13.3%	5.4%	3.2x	2.8x	1.4x	1.3x	15.5x	12.2x
Median						0.6%	\$6,701	\$8,172	\$4,235	\$450	10.8%	6.7%	11.2%	5.8%	3.2x	2.9x	1.0x	0.9x	14.6x	10.6x

Source: CapIQ.

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

Comparable companies detail (cont.)

As of 09/30/2024.
(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			
				High	Low		Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR '22-'24	Revenue CAGR '24-'26	Gross LTM	Net LTM	EV / Revenue LTM	EV / Revenue NTM	EV / EBITDA LTM	EV / EBITDA NTM		
Residential & Commercial Services																				
Aramark	NYSE	United States	\$38.73	99%	162%	1.0%	\$15,916	\$10,203	\$19,955	\$1,675	16.3%	8.4%	4.6%	6.3%	3.7x	3.4x	0.8x	0.9x	9.5x	11.7x
Compass Group PLC	LSE	United Kingdom	£23.94	96%	122%	1.7%	\$59,954	\$54,452	\$41,277	\$3,098	6.5%	7.5%	61.2%	1.1%	1.9x	1.7x	1.5x	1.3x	19.4x	13.6x
Ecolab Inc.	NYSE	United States	\$255.33	100%	163%	0.9%	\$80,403	\$72,651	\$11,655	\$2,444	41.3%	21.0%	11.2%	4.7%	2.7x	2.3x	6.9x	5.0x	32.9x	21.6x
Norva24 Group AB (Publ)	OM	Sweden	29.50 kr	85%	172%	-	\$690	\$530	\$315	\$41	47.6%	12.9%	40.1%	7.8%	4.2x	3.8x	2.2x	1.8x	17.0x	8.7x
Primo Water Corporation	TSX	Canada	CAD 34.12	97%	190%	1.3%	\$4,881	\$4,049	\$1,846	\$385	64.8%	20.9%	(15.6%)	6.6%	3.7x	2.1x	2.6x	2.5x	12.7x	11.1x
Rentokil Initial plc	LSE	United Kingdom	£3.64	59%	102%	2.4%	\$16,682	\$12,267	\$6,837	\$1,330	82.5%	19.4%	62.4%	3.8%	4.6x	3.1x	2.4x	2.3x	12.5x	10.2x
Mean						1.5%	\$29,754	\$25,692	\$13,647	\$1,495	43.2%	15.0%	27.3%	5.0%	3.5x	2.7x	2.7x	2.3x	17.3x	12.8x
Median						1.3%	\$16,299	\$11,235	\$9,246	\$1,502	44.4%	16.2%	25.7%	5.5%	3.7x	2.7x	2.3x	2.0x	14.8x	11.4x
Smart Tech																				
ABB Ltd	SWX	Switzerland	48.99 CHF	93%	168%	1.8%	\$111,513	\$106,899	\$32,505	\$6,012	37.3%	18.5%	6.5%	6.1%	1.3x	0.5x	3.4x	3.3x	18.5x	16.9x
Badger Meter, Inc.	NYSE	United States	\$218.41	99%	163%	0.7%	\$6,204	\$6,424	\$804	\$182	39.5%	22.6%	21.4%	8.2%	-	-	7.7x	7.1x	34.1x	32.1x
Emerson Electric Co.	NYSE	United States	\$109.37	92%	132%	1.9%	\$76,928	\$62,571	\$16,963	\$4,393	51.6%	25.9%	(2.8%)	5.7%	2.5x	1.9x	4.5x	4.3x	17.5x	15.9x
Energy Recovery, Inc.	NASDAQGS	United States	\$17.39	82%	142%	-	\$915	\$1,004	\$134	\$21	67.5%	15.7%	8.5%	23.1%	0.6x	-	6.9x	5.6x	43.7x	27.7x
Itron, Inc.	NASDAQGS	United States	\$106.81	94%	190%	-	\$5,171	\$4,802	\$2,350	\$290	34.0%	12.3%	16.9%	3.9%	4.4x	1.2x	2.2x	2.1x	17.8x	17.1x
Schneider Electric S.E.	ENXTPA	France	€236.20	95%	176%	1.5%	\$161,306	\$147,818	\$39,046	\$7,479	42.3%	19.2%	8.1%	7.8%	2.2x	1.6x	4.1x	3.7x	21.6x	17.5x
Verato Corporation	NYSE	United States	\$111.86	99%	171%	0.3%	\$29,381	\$27,641	\$5,136	\$1,281	59.4%	24.9%	-	5.7%	2.2x	1.4x	5.7x	5.5x	22.9x	22.1x
Xylem Inc.	NYSE	United States	\$135.03	92%	154%	1.1%	\$34,094	\$32,798	\$8,396	\$1,622	36.8%	19.3%	25.7%	5.4%	1.3x	0.8x	4.1x	3.9x	21.0x	18.3x
Mean						1.2%	\$53,189	\$48,745	\$13,167	\$2,660	46.1%	19.8%	12.1%	8.2%	2.1x	1.2x	4.8x	4.4x	24.7x	20.9x
Median						1.3%	\$31,738	\$30,220	\$6,766	\$1,452	40.9%	19.2%	8.5%	5.9%	2.2x	1.3x	4.3x	4.1x	21.3x	17.9x
Specialty Chemical																				
Clariant AG	SWX	Switzerland	12.80 CHF	84%	119%	3.4%	\$7,131	\$4,983	\$4,633	\$642	29.3%	13.9%	(4.8%)	5.1%	3.7x	2.8x	1.5x	1.4x	11.1x	8.0x
Ecolab Inc.	NYSE	United States	\$255.33	100%	163%	0.9%	\$80,403	\$72,651	\$11,655	\$2,444	41.3%	21.0%	5.5%	4.7%	2.7x	2.3x	6.9x	5.0x	32.9x	21.6x
Hawkins, Inc.	NASDAQGS	United States	\$127.47	100%	238%	0.6%	\$2,799	\$2,665	\$924	\$145	22.3%	15.7%	2.9%	-	1.0x	0.9x	3.0x	2.8x	19.3x	17.1x
Kemira Oyj	HLSE	United Kingdom	£22.42	91%	156%	3.3%	\$4,285	\$3,850	\$3,381	\$504	15.9%	14.9%	(7.2%)	2.4%	1.6x	0.7x	1.3x	1.3x	8.5x	6.8x
Kurita Water Industries Ltd.	TSE	Japan	¥6,166.00	86%	145%	1.6%	\$5,201	\$4,837	\$2,414	\$467	34.8%	19.3%	5.3%	4.6%	1.4x	0.7x	2.2x	1.8x	11.1x	9.2x
Mean						2.0%	\$19,964	\$17,797	\$4,601	\$840	28.7%	17.0%	0.3%	4.2%	2.1x	1.5x	3.0x	2.4x	16.6x	12.5x
Median						1.6%	\$5,201	\$4,837	\$3,381	\$504	29.3%	15.7%	2.9%	4.7%	1.6x	0.9x	2.2x	1.8x	11.1x	9.2x
Specialty Distribution																				
Core & Main, Inc.	NYSE	United States	\$44.40	71%	159%	-	\$11,258	\$8,554	\$6,972	\$884	26.7%	12.7%	10.3%	5.6%	3.0x	3.0x	1.6x	1.5x	12.7x	12.1x
Ferguson Enterprises Inc.	LSE	United Kingdom	£147.00	83%	122%	-	\$44,807	\$39,861	\$29,635	\$2,978	30.5%	10.0%	0.1%	6.2%	1.9x	1.7x	1.5x	1.5x	15.0x	14.6x
MSC Industrial Direct Co., Inc.	NYSE	United States	\$86.06	81%	115%	4.4%	\$5,385	\$4,830	\$3,904	\$511	41.0%	13.1%	0.9%	4.5%	1.1x	1.1x	1.4x	1.4x	10.5x	11.4x
Pool Corporation	NASDAQGS	United States	\$376.80	89%	128%	1.3%	\$15,752	\$14,416	\$5,327	\$679	29.6%	12.8%	(15.8%)	4.7%	1.8x	1.7x	3.0x	2.9x	23.2x	22.7x
SiteOne Landscape Supply, Inc.	NYSE	United States	\$150.91	80%	132%	-	\$7,759	\$6,809	\$4,429	\$365	34.5%	8.2%	11.8%	5.1%	2.8x	2.6x	1.8x	1.7x	21.3x	18.3x
W.W. Grainger, Inc.	NYSE	United States	\$1,038.81	99%	154%	0.8%	\$52,985	\$50,721	\$16,752	\$2,814	39.3%	16.8%	13.4%	7.0%	1.0x	0.7x	3.2x	3.0x	18.8x	17.7x
Mean						2.1%	\$22,991	\$20,865	\$11,170	\$1,372	33.6%	12.3%	2.1%	5.5%	1.9x	1.8x	2.1x	2.0x	16.9x	16.1x
Median						1.3%	\$13,505	\$11,485	\$6,149	\$782	32.5%	12.7%	0.9%	5.3%	1.8x	1.7x	1.7x	1.6x	16.9x	16.2x
Utilities																				
American States Water Company	NYSE	United States	\$83.29	97%	126%	2.2%	\$4,060	\$3,120	\$567	\$222	59.5%	39.2%	7.1%	5.4%	4.2x	4.2x	7.2x	6.8x	18.2x	16.8x
American Water Works Company	NYSE	United States	\$146.24	97%	129%	2.2%	\$41,588	\$28,497	\$4,359	\$2,322	59.8%	53.3%	9.1%	6.8%	5.7x	5.6x	9.5x	9.1x	17.9x	15.7x
Artesian Resources Corporation	NASDAQ	United States	\$37.18	83%	112%	3.4%	\$557	\$383	\$103	\$45	49.6%	43.6%	5.1%	-	4.0x	3.9x	5.4x	5.2x	12.4x	-
California Water Service Group	NYSE	United States	\$54.22	96%	125%	2.1%	\$4,453	\$3,189	\$985	\$366	55.4%	37.2%	10.5%	(0.3%)	3.5x	3.4x	4.5x	4.8x	12.2x	12.6x
Consolidated Water Co. Ltd.	NASDAQGS	United States	\$25.21	94%	106%	1.6%	\$312	\$399	\$175	\$43	35.0%	24.4%	22.3%	-	-	-	1.8x	2.3x	7.3x	10.3x
Essential Utilities, Inc.	NYSE	United States	\$38.57	92%	120%	3.3%	\$17,759	\$10,556	\$1,937	\$1,045	58.7%	53.9%	2.4%	8.8%	6.9x	6.9x	9.2x	7.9x	17.0x	14.3x
Global Water Resources, Inc.	NASDAQ	United States	\$12.59	94%	135%	2.4%	\$412	\$305	\$52	\$22	74.1%	41.5%	9.7%	-	5.8x	4.9x	7.9x	7.5x	19.1x	16.1x
Middlesex Water Company	NASDAQ	United States	\$65.24	89%	144%	2.0%	\$1,597	\$1,163	\$175	\$78	52.0%	44.6%	5.9%	8.4%	5.6x	5.5x	9.1x	8.5x	20.5x	-
Pennon Group Plc	LSE	United Kingdom	£5.92	76%	107%	7.8%	\$7,422	\$2,268	\$1,145	\$377	49.6%	32.9%	18.1%	9.3%	-	-	6.5x	5.4x	19.7x	14.1x
Severn Trent PLC	LSE	United Kingdom	£26.42	94%	118%	4.4%	\$20,436	\$10,629	\$2,953	\$1,120	22.9%	37.9%	13.3%	7.3%	9.3x	8.3x	6.9x	6.4x	18.2x	14.6x
SJW Group	NYSE	United States	\$58.11	83%	114%	2.8%	\$3,654	\$1,901	\$702	\$275	57.6%	39.2%	9.1%	2.6%	6.5x	6.4x	5.2x	5.0x	13.3x	11.6x
The York Water Company	NASDAQ	United States	\$37.46	89%	112%	2.3%	\$730	\$538	\$73	\$41	74.3%	55.8%	12.7%	-	4.7x	4.7x	10.0x	9.4x	17.9x	-
United Utilities Group PLC	LSE	United Kingdom	£10.46	92%	115%	4.7%	\$21,085	\$9,555	\$2,462	\$1,169	88.7%	47.5%	10.7%	10.3%	10.8x	9.3x	8.6x	7.4x	18.0x	14.2x
Mean						3.2%	\$9,543	\$5,577	\$1,207	\$548	56.7%	42.4%	10.5%	6.5%	6.1x	5.7x	7.1x	6.6x	16.3x	14.0x
Median						2.4%	\$4,060	\$2,268	\$702	\$275	57.6%	41.5%	9.7%	7.3%	5.7x	5.5x	7.2x	6.8x	17.9x	14.3x

Source: CapIQ.

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

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