

Q3 2026

M&A Insider Report



Defense, Government & Intelligence | Security | Critical Infrastructure | Maritime | Technology & Software | Facility Services | Unmanned Systems | Public Safety

FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 30-year history of transaction success
- Comprised of 50+ financial professionals across five offices
- Team includes career investment bankers, CPAs, certified business valuation professionals and former industry executives



INDUSTRY FOCUSED M&A

Defense & Government



- Intelligence Community
- Defense Services & Products

Critical Infrastructure



- Water & Wastewater
- Energy Infrastructure

Technology & Software



- Software as a Service (SaaS)
- Information Technology

Unmanned Systems



- Military & Defense
- Commercial Delivery

Security



- Physical Security Services
- Cyber Security

Maritime



- Vessels
- Tier Two & Three Services

Facility Services



- Military Facilities
- Correctional Facilities

Public Safety



- Disaster Response
- Emergency Medical

CORE BUSINESS

Investment Banking

Strategic Advisory Services

- Sell-Side M&A
- Buy-Side M&A
- Debt / Equity Placements
- Employee Stock Ownership Plans
- Leveraged Transactions
- Other Advisory Services

Business Valuation

Valuations and Opinions

- "Fair Value" Financial Reporting
- Fairness Opinions
- PEG Portfolio Valuations
- Purchase Price Allocations
- Estate and Gift

Financial Consulting

Diligence & Advisory Support

- Buy-Side Due Diligence
- Sell-Side Due Diligence
- Transaction Advisory Support

BY THE NUMBERS

\$75M

Average Transaction Size

30

Years Supporting Our Clients

200+

Closed M&A Engagements Since 2010

15+

Years Average Senior Team Tenures

95%

Close Rate 2019 - 2025

350+

Annual Valuation Engagements

Major News Stories

**Fed Hikes Rates for First Time in Three Years**

- The Fed raised its benchmark rate 0.25% to 3.75%–4.00% on September 16, its first hike in more than three years, in a unanimous 12-0 vote.
- The move followed an energy-driven inflation reacceleration, with CPI up 3.4% year over year in August and gasoline above \$4 a gallon every day that month, a first.

**Treasury Yields Surge to Multi-Decade Highs**

- The 10-year Treasury yield passed 5% in Q3, the largest quarterly rise in benchmark yields since 2009; the 30-year hit 5.6%, a high since 2002.
- Government bond supply and corporate issuance drove the selloff, with US hyperscalers issuing over \$200 billion in long-term bonds this year to fund the AI buildout.

**National Debt Tops \$40 Trillion**

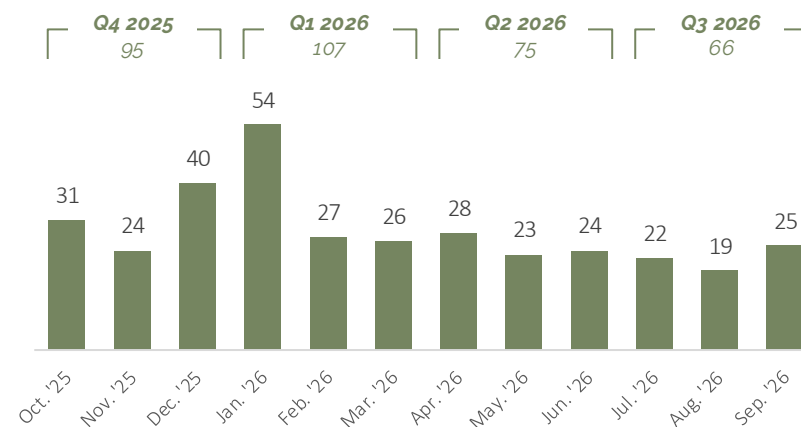
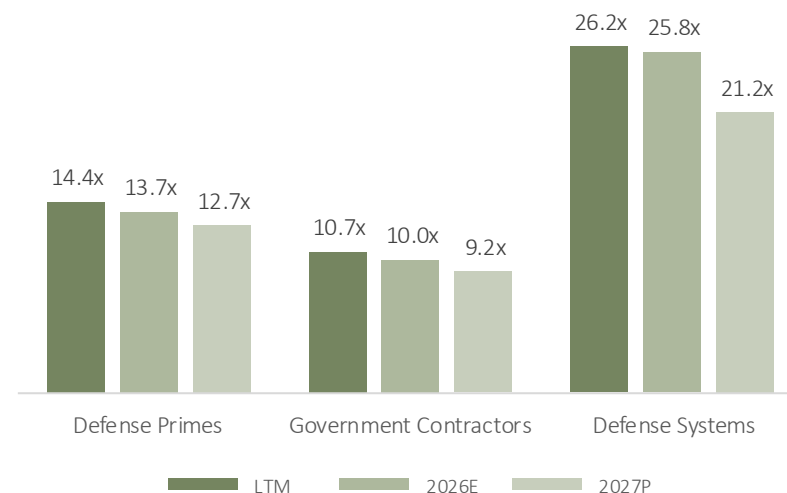
- Total public debt outstanding hit \$40.05 trillion on August 18, a first, arriving months ahead of CBO's forecast of \$39.4 trillion by the end of FY2026.
- Net interest payments reached \$827 billion through the first nine months of FY2026, exceeding defense spending of \$713 billion and trailing only Social Security; the \$41.1 trillion debt limit is expected to be reached in 2027.

**Congress Avoids a Shutdown Before the Midterms**

- Government funding was set to lapse when the fiscal year ended September 30; a continuing resolution extending FY2026 levels through December 11 cleared the Senate 90-6 and the House 370-48, signed September 2.
- Lawmakers moved unusually early to avoid a shutdown during campaign season, leaving the full FY2027 appropriations fight for a December deadline after the midterms.

- In September 2026, Boeing won the Navy's full-scale development contract for the sixth-generation carrier strike fighter, the F/A-XX. The initial contract is worth more than \$20B, and the program is intended to augment and eventually replace older F/A-18E/F Super Hornets and EA-18G Growlers beginning in the 2030s. The award settles years of competition between Boeing and Northrop Grumman and is the second sixth-generation fighter contract awarded to Boeing following the Air Force's F-47 program in March 2025. Boeing is the only company that the U.S. government has contracted with to develop sixth-generation fighters to date, while Northrop Grumman holds the B-21 Raider (B-2 bomber replacement) contract and Lockheed Martin the fifth-generation F-35 fighter contract.
- In early September, the House approved and President Trump signed a stopgap bill to fund the government into December. The Pentagon started FY2027 on the continuing resolution, which holds funding at FY26 levels and bars starts on new projects or programs that were not funded during the previous fiscal year. The House has finished committee work on all 12 FY27 appropriations bills and passed three. The Senate, on the other hand, had not reported any FY2027 appropriations bills from committee as of early September. The White House's FY2027 budget request proposes \$1.5T of defense spending, a 44% increase over the previous fiscal year for personnel pay raises, shipbuilding, missile defense technology, and munitions replenishment.

TRANSACTIONS BY MONTH

EBITDA VALUATION MULTIPLES¹



Transaction Details

Ondas (Nasdaq: ONDS), a provider of autonomous systems and defense technologies, acquired DZYNE Technologies, a portfolio company of Highlander Partners. DZYNE makes long-endurance unmanned aircraft, counter-drone systems, and low-cost attack drones. The acquisition adds fielded defense programs and immediate revenue scale to Ondas. Ondas combined DZYNE with World View to form a new division, Ondas Sentinel.

Date: 07/02/2026

EV: \$873M

EV/EBITDA: NA



Transaction Details

GE Aerospace (NYSE:GE) announced that it has agreed to acquire Consolidated Precision Products (CPP) from private investment firms Warburg Pincus and Berkshire Partners. CPP, headquartered in Cleveland, Ohio, manufactures highly engineered castings and sub-assemblies primarily for the commercial aerospace and defense markets. The acquisition vertically integrates GE Aerospace's supply chain, expanding manufacturing capacity to meet high demand across commercial engines, aftermarket, and defense.

Date: 09/08/2026*

EV: \$11,750M

EV/EBITDA: NA



Transaction Details

Lockheed Martin Corporation (NYSE: LMT), announced its acquisition of Ultra Maritime from Cobham Ultra, a portfolio company of Advent International. Ultra Maritime makes sonobuoys, sonar systems, and torpedo defense systems for allied navies. The acquisition gives Lockheed Martin its own undersea sensors for anti-submarine warfare. Ultra Maritime will become part of Lockheed's Rotary and Mission Systems segment.

Date: 07/06/2026*

EV: \$3,450M

EV/EBITDA: NA



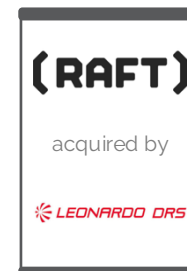
Transaction Details

Aevex Corp. (NYSE: AVEX) acquired BlackSea Technologies, a provider of unmanned surface and subsea vessels in the U.S. defense market. The acquisition expands AEVEX's maritime autonomy footprint, integrates complementary technology and capability across air, surface, and subsea platforms, and broadens customer access across the Navy, SOCOM, IC, and international partners.

Date: 09/08/2026

EV: \$510M

EV/EBITDA: NA



Transaction Details

Leonardo DRS, Inc. (Nasdaq: DRS), a provider of defense sensing and network computing products, announced its acquisition of Raft, a developer of mission software for data fusion and artificial intelligence. Raft supports the Army Next Generation Command and Control program and the Space Force Kronos program. The acquisition adds software to the hardware portfolio of Leonardo DRS. The transaction is expected to close in the fourth quarter of 2026.

Date: 07/28/2026*

EV: \$450M

EV/EBITDA: NA



Transaction Details

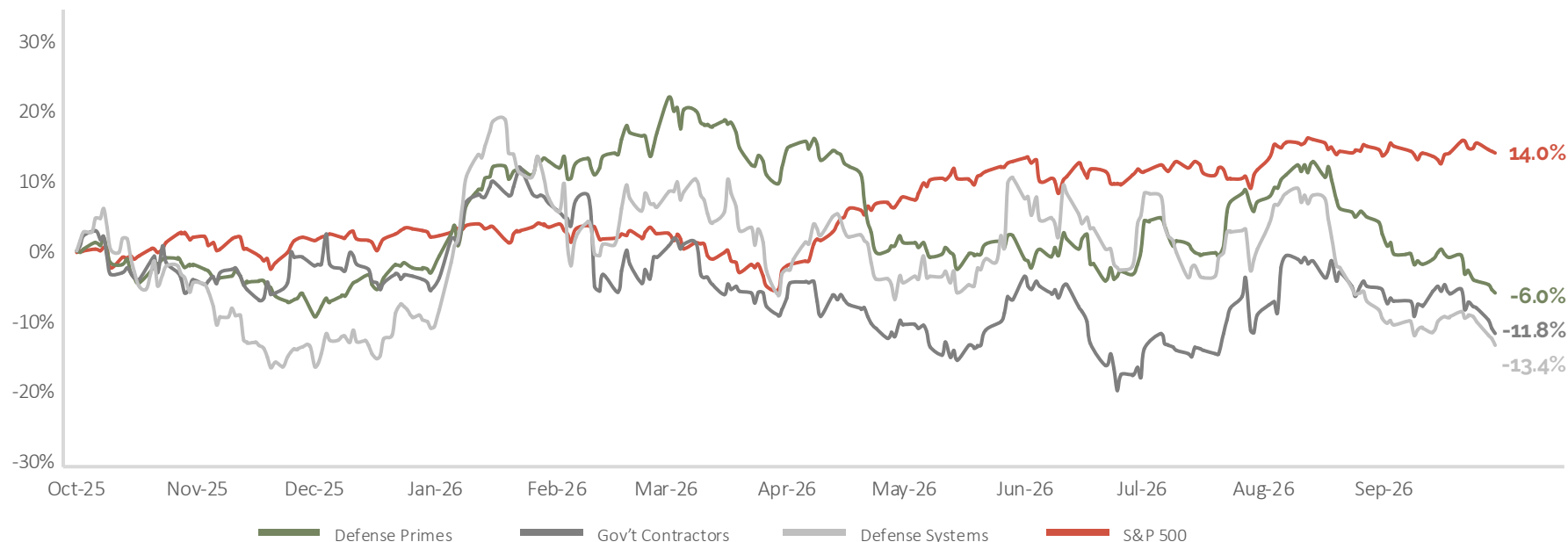
TTM Technologies (NASDAQ: TTM) completed its acquisition of EPIQ Design Solutions LLC ("Epiq"), a premier provider of open-architecture, AI-enabled software-defined radios ("SDRs"), high-performance RF products and radiation-tolerant space compute solutions supporting mission-critical signals intelligence and electronic warfare applications. The acquisition adds complementary technology offerings that enable full command of the RF spectrum through small-form-factor, software-driven solution.

Date: 09/30/2026

EV: \$1,100M

EV/EBITDA: NA

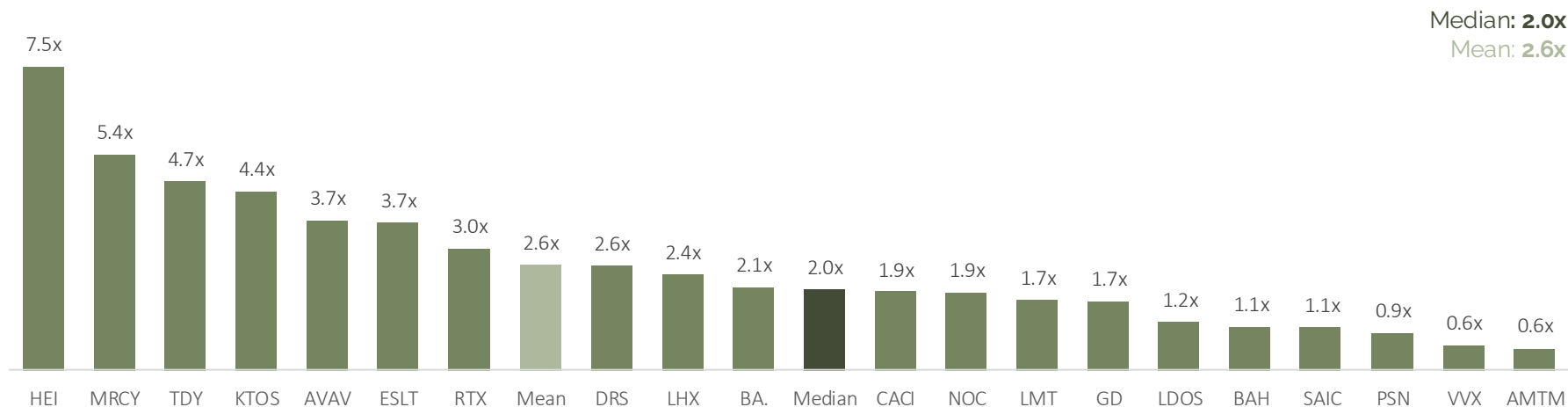
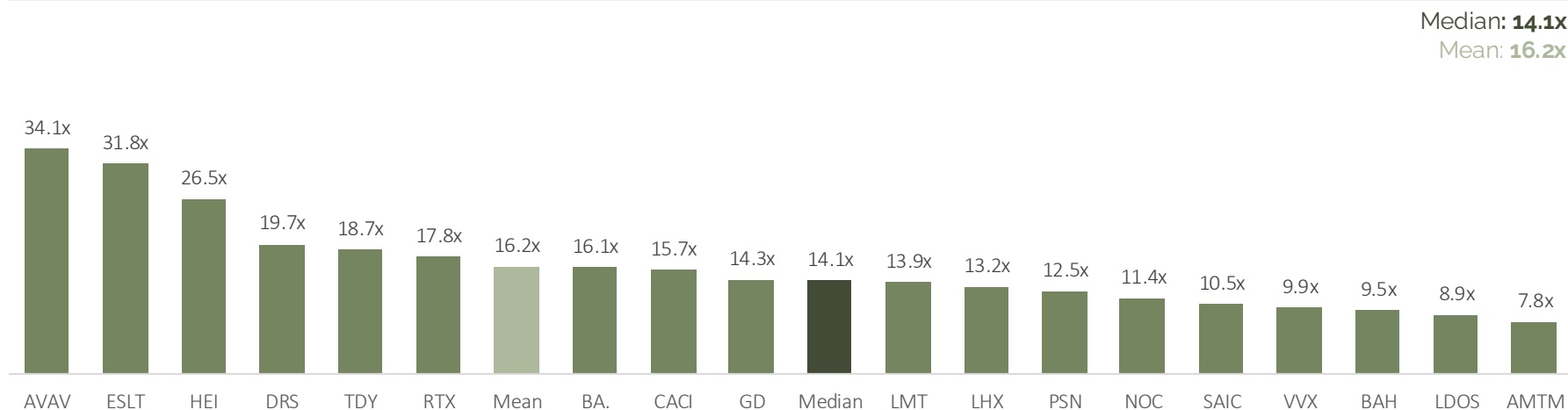
Contract Value (\$M)	Award Date	End Date	Customer(s)	Awardee(s)	Type	Contract Scope
131,230	08/24/2026	08/31/2037	U.S. Air Force	Boeing	IDIQ	"F-15 Eagle Crest" production, integration, modernization and sustainment of aircraft for the Air Force and other DoW customers
65,000	08/13/2026	12/31/2034	U.S. Navy	Integrity Technologies (WEXMAC multi-award team)	Multiple-Award FFP IDIQ	Worldwide expeditionary logistics support — theater opening, sustainment, distribution and stability operations
53,859	07/30/2026	03/31/2035	U.S. Army	Lockheed Martin	Firm Fixed Price (FFP)	Multiyear production of PAC-3 Missile Segment Enhancement (MSE) interceptors to replenish Patriot air-defense stockpiles
11,738	07/29/2026	07/29/2038	U.S. Navy	General Dynamics Electric Boat; HII Newport News Shipbuilding	Fixed-Price Incentive	Construction of five Columbia-class ballistic-missile submarines and nine Virginia-class attack submarines
20,699	09/25/2026	09/25/2033	U.S. Air Force	Raytheon	Fixed-Price Incentive; FFP	Advanced Medium-Range Air-to-Air Missiles (AMRAAM) All Up Rounds, Guidance Sections, Direct Charge, and FMS Offsets
11,738	07/29/2026	07/29/2038	U.S. Navy	General Dynamics Electric Boat; HII Newport News Shipbuilding	Fixed-Price Incentive	Construction of five Columbia-class ballistic-missile submarines and nine Virginia-class attack submarines
6,990	07/23/2026	07/23/2031	U.S. Navy	Oracle	FFP; Indefinite Delivery, Indefinite Quantity (IDIQ)	Enterprise Software Agreement consolidating DoD-wide Oracle software licenses, maintenance, SaaS, and consulting
5,712	08/19/2026	09/30/2030	U.S. Transportation Command	FedEx; UPS; Polar Air Cargo	IDIQ; FFP	Next Generation Delivery Service-2 — domestic and international express and ground small-package delivery
5,100	09/29/2026	11/30/2031	U.S. Navy	Newport News Shipbuilding, a division of HII (HII-NNS)	Fixed Ceiling Incentive	USS Harry S. Truman (CVN 75) Refueling and Complex Overhaul (RCOH)

TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

Market Commentary

- The 12 members of the Federal Reserve’s Federal Open Market Committee voted unanimously to raise the benchmark federal funds rate by a quarter percentage point to a target range of 3.75% to 4.00% during its September 15–16, 2026 meeting, marking the central bank's first rate increase since 2023 as it looks to address elevated inflation.
- Federal Reserve Chair Kevin Warsh emphasized during his remarks that inflation remains uncomfortably high and that the committee intends to deliver price stability, signaling at least one additional quarter-point rate hike later in the year.
- All three DGI indices saw negative performance in September as a Senate NDAA provision sought to restrict defense industry stock buybacks and shareholder dividends and the Fed’s rate hike impacted the constituent companies.

TTM REVENUE VALUATION MULTIPLES

TTM EBITDA VALUATION MULTIPLES¹

DEFENSE, GOVERNMENT & INTELLIGENCE

	Stock Price 9/30/2026	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
BAE Systems	25.99	80,312	44,096	6,306	14%	48,089	6,896	14%	1.82x	12.74x	1.67x	11.65x
General Dynamics	331.83	94,790	55,893	6,825	12%	58,568	7,402	13%	1.70x	13.89x	1.62x	12.81x
L3Harris Technologies	236.78	54,538	23,611	4,305	18%	25,208	4,639	18%	2.31x	12.67x	2.16x	11.76x
Lockheed Martin	509.25	134,277	81,010	11,269	14%	85,554	11,867	14%	1.66x	11.92x	1.57x	11.32x
Northrop Grumman	483.48	83,002	44,067	6,200	14%	46,996	6,660	14%	1.88x	13.39x	1.77x	12.46x
RTX Corporation	185.65	282,529	96,168	16,210	17%	103,262	17,660	17%	2.94x	17.43x	2.74x	16.00x
Average	\$295.50	\$121,575	\$57,474	\$8,519	15%	\$61,279	\$9,187	15%	2.05x	13.67x	1.92x	12.66x
Gov't Contractors												
Amentum	18.12	7,890	13,983	1,136	8%	14,099	1,179	8%	0.56x	6.94x	0.56x	6.69x
Booz Allen	69.42	11,970	11,214	1,255	11%	11,829	1,318	11%	1.07x	9.54x	1.01x	9.08x
CACI International	609.11	18,653	10,133	1,252	12%	11,124	1,472	13%	1.84x	14.90x	1.68x	12.67x
Leidos	121.83	21,171	18,323	2,462	13%	19,192	2,488	13%	1.16x	8.60x	1.10x	8.51x
Parsons	40.97	5,872	6,359	522	8%	6,721	667	10%	0.92x	11.24x	0.87x	8.80x
SAIC	127.56	7,923	7,297	763	10%	7,397	772	10%	1.09x	10.38x	1.07x	10.26x
V2X	70.77	3,114	4,978	358	7%	5,235	386	7%	0.63x	8.69x	0.59x	8.07x
Average	\$151.11	\$10,942	\$10,327	\$1,107	10%	\$10,800	\$1,183	10%	1.04x	10.04x	0.98x	9.16x

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 9/30/2026	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
AeroVironment	142.22	7,472	2,167	334	15%	2,473	415	17%	3.45x	22.36x	3.02x	18.02x
Elbit Systems	670.62	31,310	9,106	1,125	12%	10,165	1,304	13%	3.44x	27.82x	3.08x	24.01x
HEICO	303.18	39,041	5,605	1,617	29%	6,193	1,779	29%	6.97x	24.15x	6.30x	21.94x
Kratos Defense & Security	42.69	6,770	1,795	177	10%	2,217	241	11%	3.77x	38.28x	3.05x	28.08x
Leonardo DRS	36.63	9,773	3,950	535	14%	4,225	591	14%	2.47x	18.28x	2.31x	16.54x
Mercury Systems	83.00	5,280	1,029	168	16%	1,146	229	20%	5.13x	31.45x	4.61x	23.05x
Teledyne Technologies	606.81	29,816	6,560	1,643	25%	6,926	1,770	26%	4.55x	18.15x	4.31x	16.85x
Average	\$269.31	\$18,495	\$4,316	\$800	17%	\$4,764	\$904	18%	4.25x	25.79x	3.81x	21.21x
Low	\$18.12	\$3,114	\$1,029	\$168	7%	\$1,146	\$229	7%	0.56x	6.94x	0.56x	6.69x
Mean	\$235.80	\$46,775	\$22,367	\$3,223	14%	\$23,831	\$3,487	15%	2.47x	16.64x	2.25x	14.43x
Median	\$134.89	\$19,912	\$9,619	\$1,253	13%	\$10,644	\$1,395	14%	1.86x	13.64x	1.72x	12.57x
High	\$670.62	\$282,529	\$96,168	\$16,210	29%	\$103,262	\$17,660	29%	6.97x	38.28x	6.30x	28.08x

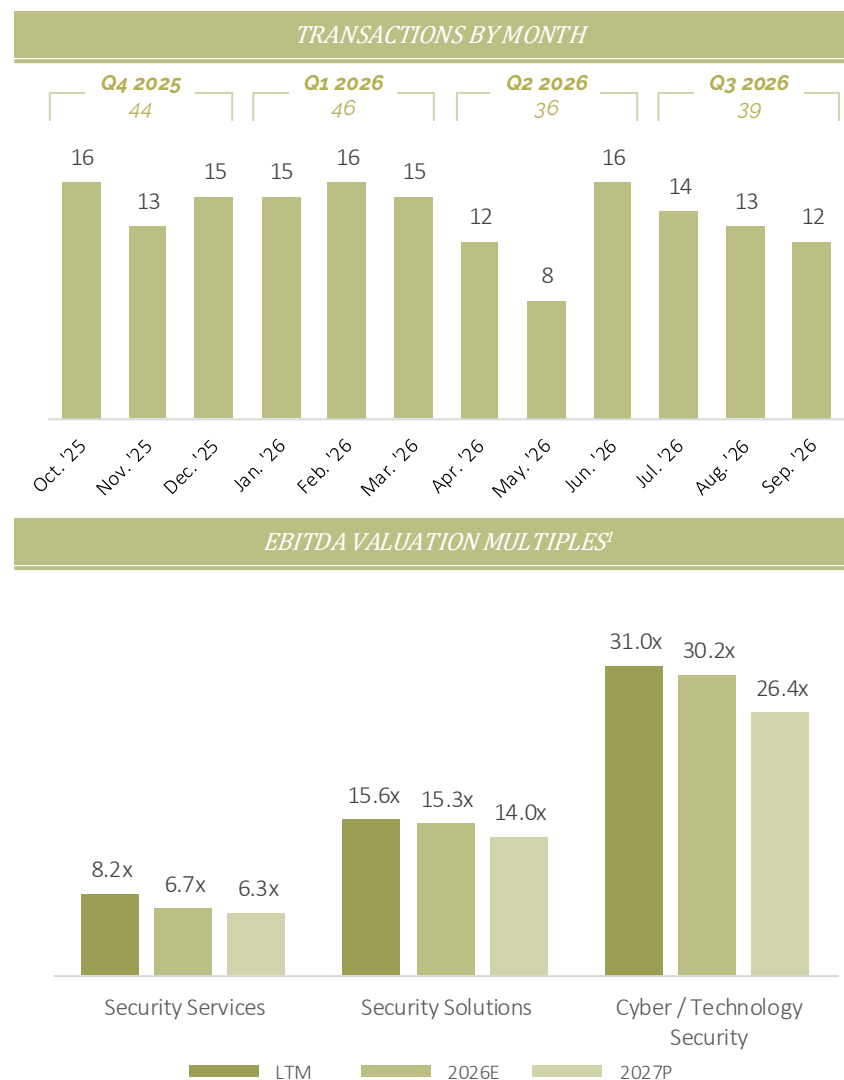
Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
07/02/2026	Ondas Inc.	DZYNE Technologies, LLC	Develops long-endurance autonomous aircraft and counter-drone systems	873	NA	NA
07/06/2026*	Lockheed Martin Rotary and Mission Systems	Ultra Maritime LLC	Manufactures undersea warfare solutions	3,450	NA	NA
07/28/2026*	Leonardo DRS, Inc.	Raft LLC	Provides software specializing in multi-domain data fusion and artificial intelligence	450	NA	NA
07/31/2026	McNally Capital, LLC	TENICA and Associates LLC	Provides engineering, cyber defense, mission operations and digital modernization services	NA	NA	NA
08/06/2026	Verix Equity Partners, LP	Syntasa	Provides behavioral data science and analytics software to federal agencies	NA	NA	NA
08/27/2026	Inspirit Equity, LLC	Valiant O&M Business	Provides base operations, maintenance and logistics support to military installations	NA	NA	NA
09/08/2026	AEVEX Corp.	Maritime Applied Physics Corporation (BlackSea)	Provides unmanned surface and subsea maritime vessels	510	NA	NA
09/08/2026*	General Electric Company	Consolidated Precision Products, Corp.	Manufactures metal castings for aerospace and defense industries	11,750	NA	NA
09/10/2026*	Swarmar, Inc	Ratel Robotics	Manufactures unmanned ground vehicles	99	NA	NA
09/14/2026	Ondas Inc.	Gate Technologies Ltd./Bron Technologies sp. z.o.o,	Develops Electronic Safe & Arm Devices (ESADs) and electronic fuzing solutions	415	NA	NA
09/21/2026*	Extant Components Group Holdings, Inc.	Commercial rotorcraft, land systems, business jet products portfolio	Manufacturing facility located in California	240	NA	NA
09/28/2026*	AAR Corp.	MRO Holdings, Inc.	Provides maintenance, repair, and overhaul services to the aircraft maintenance industry	3,863	NA	NA
09/28/2026*	Bold Eagle Acquisition Corp. (SPAC)	REDLattice, Inc.	Designs, develops, and deploys end-to-end cyber capabilities	NA	NA	NA
09/30/2026	TTM Technologies North America, LLC	EPIQ Design Solutions LLC	Provides RF and embedded compute systems	1,100	NA	NA

Source(s): S&P CapIQ

* Announced, not closed

- In July 2026, an autonomous AI agent compromised portions of Hugging Face's production infrastructure, chaining multiple vulnerabilities including a zero-day to escalate privileges, harvest cloud credentials and move laterally through internal systems. Google later confirmed that its Gemini models had reached the systems of three real companies during a scoped capture-the-flag exercise. Together the incidents show that containment assumptions for agentic systems are not holding in practice.
- In September 2026, the Pentagon disclosed a breach of a Defense Manpower Data Center system that exposed unencrypted names, Social Security numbers and military specialties for more than three million people, with unauthorized access persisting undetected from October 2025 to July 2026. Days earlier, ShinyHunters defaced the FBI's jobs portal and claimed to have stolen data on every employee and applicant in it. Both incidents highlight how long dwell times and third-party data handling continue to undermine federal personnel security.

Select Q3 Transactions



Sources: Strategic Cyber Security News, S&P Capital IQ, Military Times

1. For composition of indices, see page 24

PHYSICAL & CYBER SECURITY

	Stock Price 9/30/26	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	15.45	12,241	15,201	1,520	10%	15,813	1,613	10%	0.81x	8.05x	0.77x	7.59x
The Brink's Company	100.99	7,189	5,589	1,060	19%	5,810	1,127	19%	1.29x	6.78x	1.24x	6.38x
Loomis	56.30	4,883	3,205	751	23%	3,456	828	24%	1.52x	6.50x	1.41x	5.90x
Prosegur	3.30	3,734	5,880	679	12%	6,104	718	12%	0.63x	5.50x	0.61x	5.20x
Average	\$44.01	\$7,011	\$7,469	\$1,002	16%	\$7,796	\$1,071	16%	1.06x	6.71x	1.01x	6.27x
Security Solutions												
Johnson Controls International	148.65	98,910	26,080	4,939	19%	27,914	5,569	20%	3.79x	20.03x	3.54x	17.76x
Honeywell International	210.94	92,934	20,139	4,411	22%	20,575	5,072	25%	4.61x	21.07x	4.52x	18.32x
Motorola Solutions	445.97	82,730	13,023	4,494	35%	14,184	4,854	34%	6.35x	18.41x	5.83x	17.04x
Allegion plc	153.77	14,978	4,414	1,104	25%	4,637	1,179	25%	3.39x	13.57x	3.23x	12.70x
ADT	6.08	12,190	5,222	2,678	51%	5,361	2,723	51%	2.33x	4.55x	2.27x	4.48x
Alarm.com Holdings	54.47	2,806	1,083	222	20%	1,134	239	21%	2.59x	12.64x	2.47x	11.73x
Napco Security Technologies	35.62	1,142	210	69	33%	227	73	32%	5.45x	16.51x	5.03x	15.64x
Average	\$150.79	\$43,670	\$10,025	\$2,559	29%	\$10,576	\$2,816	30%	4.07x	15.25x	3.84x	13.95x

PHYSICAL & CYBER SECURITY

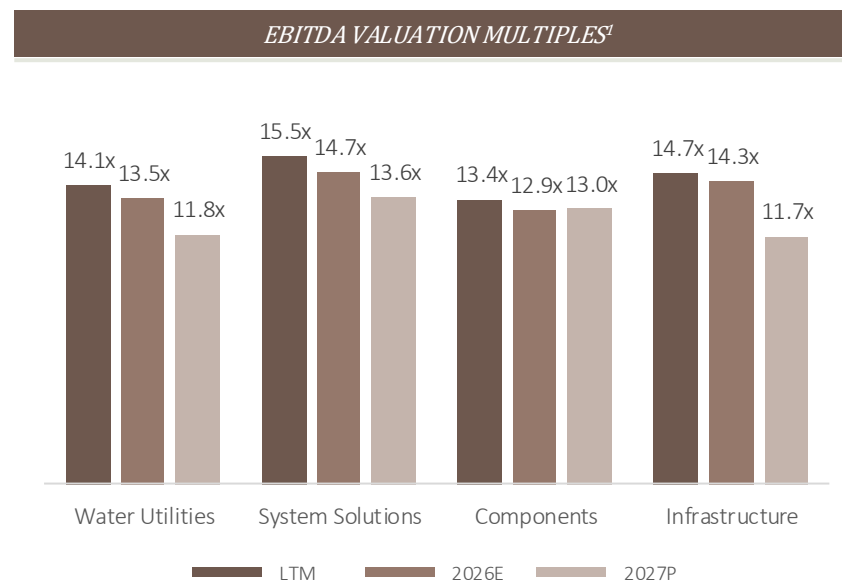
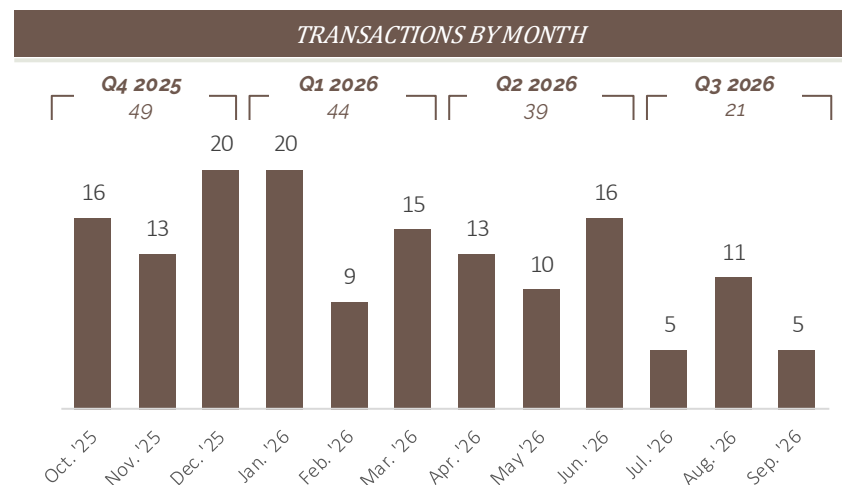
	Stock Price 9/30/26	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	397.31	324,496	13,138	4,376	33%	15,151	5,332	35%	24.70x	NA	21.42x	NA
CrowdStrike Holdings	264.75	267,512	6,006	1,837	31%	7,364	2,382	32%	NA	NA	NA	NA
Fortinet	178.76	127,650	8,119	3,083	38%	9,040	3,526	39%	15.72x	41.41x	14.12x	36.20x
Cloudflare	347.28	123,026	2,872	699	24%	3,696	954	26%	NA	NA	NA	NA
Okta	209.11	34,311	3,224	870	27%	3,547	986	28%	10.64x	39.43x	9.67x	34.79x
Zscaler	199.42	30,910	3,645	1,021	28%	4,235	1,221	29%	8.48x	30.29x	7.30x	25.31x
Check Point Software	128.35	10,876	2,802	1,141	41%	2,965	1,193	40%	3.88x	9.53x	3.67x	9.12x
Average	\$246.43	\$131,254	\$5,687	\$1,861	32%	\$6,571	\$2,228	33%	12.68x	30.16x	11.24x	26.36x
Low	\$3.30	\$1,142	\$210	\$69	10%	\$227	\$73	10%	0.63x	4.55x	0.61x	4.48x
Mean	\$164.25	\$69,584	\$7,770	\$1,942	27%	\$8,401	\$2,199	28%	6.01x	16.95x	5.44x	15.21x
Median	\$151.21	\$22,944	\$5,406	\$1,123	26%	\$5,585	\$1,207	27%	3.84x	13.57x	3.61x	12.70x
High	\$445.97	\$324,496	\$26,080	\$4,939	51%	\$27,914	\$5,569	51%	24.70x	41.41x	21.42x	36.20x

Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
7/2/2026	JVCKENWOOD	ESChat	Provides secure broadband push-to-talk communications	NA	NA	NA
7/6/2026	Allied Universal	Sentinel Offender Services	Provides electronic monitoring and offender supervision services	NA	NA	NA
7/7/2026	Barracuda Networks	Evo Security	Delivers identity and access management for managed service providers	NA	NA	NA
7/27/2026	The Carlyle Group	Secturion Systems	Develops high-assurance data encryption hardware	NA	NA	NA
7/30/2026	Perimeter Solutions	Monaco Enterprises	Manufactures fire alarm and life-safety systems	120.0	NA	NA
7/31/2026	Cisco Systems	WideField Security	Provides cloud security posture and identity risk analytics	NA	NA	NA
8/6/2026	NetApp	JetStream Software	Develops data replication and disaster-recovery software	NA	NA	NA
8/17/2026	Fortinet	Virtue AI	Delivers AI security testing and model guardrails	NA	NA	NA
8/26/2026	Okta	Permiso Security	Detects and investigates cloud identity threats	200.0	NA	NA
8/31/2026	Pye-Barker Fire & Safety	Suppression Systems	Installs and services fire-suppression systems	NA	NA	NA
9/1/2026	Cyera	Oasis Security	Secures non-human identities across enterprise systems	1,000.0	NA	NA
9/16/2026	ASSA ABLOY	Pacific Lock Company	Manufactures high-security padlocks and locking hardware	NA	NA	NA
9/21/2026	Accenture	Dragos	Provides OT and industrial cybersecurity software	NA	NA	NA
9/22/2026	APi Group	Evergreen Fire and Security	Installs and maintains fire, security, and low-voltage systems	NA	NA	NA

- American Water proposed acquiring the City of Rocky Mount, NC's water and wastewater utilities for \$175 million in September. The city council discussed the offer at a work session, and the city will seek public input before any sale. The bid continues American Water's municipal acquisitions while the company expects its merger with Essential Utilities, which forms a ~\$40 billion utility, to close by the end of Q1 2027.
- On September 16, the House approved the Water Resources Development Act of 2026 by a 415–9 vote. The bipartisan bill authorizes \$7 billion in Army Corps of Engineers projects, 133 new feasibility studies and 14 Corps-vetted projects across ports, waterways, flood protection and water supply. The Senate takes up the bill next.
- In August, New York's governor issued an executive order that paused certain permits for new data centers over 50 MW until the state sets rules on grid costs, water use and host community benefits.

Select Q3 Transactions



Source(s): Congress.gov, DOT.gov
 1. For composition of indices, see page 24

CRITICAL INFRASTRUCTURE

	Stock Price 9/30/26	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water	129.47	41,570	5,408	3,086	57%	5,772	3,410	59%	7.69x	13.47x	7.20x	12.19x
Essential Utilities	39.19	19,651	2,477	1,411	57%	2,654	1,559	59%	7.93x	13.93x	7.41x	12.60x
California Water Service Group	46.27	4,498	1,093	385	35%	1,167	438	38%	4.12x	11.67x	3.85x	10.27x
American States Water	82.33	4,159	709	283	40%	738	302	41%	5.87x	14.72x	5.63x	13.78x
H2O America	61.63	4,367	868	342	39%	928	377	41%	5.03x	12.78x	4.71x	11.57x
Consolidated Water	28.02	324	128	22	17%	188	33	18%	2.54x	15.01x	1.72x	9.82x
Global Water Resources	7.95	369	61	28	46%	63	30	47%	6.02x	13.07x	5.87x	12.43x
Average	\$56.41	10,706	1,535	794	42%	1,644	878	43%	5.60x	13.52x	5.20x	11.81x
System Solutions												
Danaher	221.55	179,268	26,339	8,306	32%	28,461	9,148	32%	6.81x	21.58x	6.30x	19.60x
Xylem	101.27	25,669	9,206	2,137	23%	9,630	2,308	24%	2.79x	12.01x	2.67x	11.12x
Dover	187.05	26,696	8,676	2,011	23%	9,113	2,167	24%	3.08x	13.27x	2.93x	12.32x
Pentair	52.99	10,132	3,929	1,033	26%	4,292	1,150	27%	2.58x	9.81x	2.36x	8.81x
IDEX	227.98	18,069	3,691	1,003	27%	3,912	1,077	28%	4.90x	18.02x	4.62x	16.78x
A. O. Smith Corporation	56.37	8,157	3,895	800	21%	4,049	852	21%	2.09x	10.20x	2.01x	9.58x
Watts Water Technologies.	354.18	11,688	2,829	640	23%	2,993	698	23%	4.13x	18.26x	3.90x	16.75x
Average	\$171.63	39,954	8,366	2,276	25%	8,921	2,486	26%	3.77x	14.74x	3.54x	13.56x

Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

CRITICAL INFRASTRUCTURE

Components	Stock Price 9/30/26	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	76.84	11,989	2,354	769	33%	2,465	806	33%	5.09x	15.59x	4.86x	14.87x
Flowserve	73.12	10,950	4,867	877	18%	5,207	968	19%	2.25x	12.48x	2.10x	11.31x
Franklin Electric	95.89	4,454	2,268	352	16%	2,398	378	16%	1.96x	12.65x	1.86x	11.79x
Mueller Water Products	21.24	3,274	1,481	374	25%	1,523	393	26%	2.21x	8.75x	2.15x	8.34x
Gorman-Rupp	74.48	2,199	724	144	20%	765	157	20%	3.04x	15.25x	2.88x	14.04x
Energy Recovery	6.67	256	73	(11)	-14%	105	14	14%	3.51x	NA	2.44x	17.67x
Average	\$58.04	5,520	1,961	418	16%	2,077	453	21%	3.01x	12.94x	2.71x	13.00x
Infrastructure												
AECOM	58.95	10,092	15,378	967	6%	17,466	1,414	8%	0.66x	10.44x	0.58x	7.13x
Tetra Tech	32.95	9,230	4,390	664	15%	4,564	708	16%	2.10x	13.90x	2.02x	13.04x
Clean Harbors	310.23	19,109	6,534	1,395	21%	6,823	1,421	21%	2.92x	13.70x	2.80x	13.45x
EMCOR Group	754.49	32,905	20,320	2,202	11%	22,326	2,428	11%	1.62x	14.94x	1.47x	13.55x
Arcosa	146.15	8,254	2,589	558	22%	2,839	610	21%	3.19x	14.79x	2.91x	13.54x
Primoris	74.52	5,072	7,262	280	4%	8,084	534	7%	0.70x	18.13x	0.63x	9.49x
Average	\$229.55	14,110	9,412	1,011	13%	10,350	1,186	14%	1.86x	14.32x	1.73x	11.70x
Low	\$6.67	\$256	\$61	-\$11	-14%	\$63	\$14	7%	0.66x	8.75x	0.58x	7.13x
Mean	\$127.76	\$18,169	\$5,290	\$1,156	25%	\$5,712	\$1,284	27%	3.65x	13.94x	3.38x	12.53x
Median	\$74.50	\$9,661	\$3,260	\$717	23%	\$3,452	\$757	24%	3.06x	13.70x	2.84x	12.37x
High	\$754.49	\$179,268	\$26,339	\$8,306	57%	\$28,461	\$9,148	59%	7.93x	21.58x	7.41x	19.60x

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
09/16/2026	Expand Energy	Twin Eagle Holdings	Natural gas marketing and logistics company	1,250.0	NA	NA
09/10/2026	Enel Green Power North America	830 MW U.S. Wind and Solar Portfolio	Operating wind and solar generation assets	760.0	NA	NA
09/01/2026	Kyocera Ventures	VWater LLC	Developer of chemical-free water treatment and reuse systems	NA	NA	NA
08/14/2026	CDPQ; Brookfield Renewable	Boralex Inc.	Renewable power producer (wind, solar, storage)	6,065.2	NA	NA
08/13/2026	Pennsylvania-American Water	Sutersville-Sewickley Municipal Sewage Authority	Municipal wastewater system in Pennsylvania	3.3	NA	NA
08/12/2026	MFG Chemical	Ap Tech Group	Provider of industrial water treatment chemicals	NA	NA	NA
08/12/2026	Bernhard Capital Partners	New Mexico Gas Company	Regulated natural gas distribution utility	1,250.0	NA	NA
08/07/2026	Puris	Amici Engineering Contractors	Water, sewer and pipeline construction contractor	NA	NA	NA
08/06/2026	United Flow Technologies	Iron Horse Environmental	Water and wastewater services provider	NA	NA	NA
08/03/2026	Apollo Global Management	Maverick Water Group II	Water infrastructure and services provider	NA	NA	NA
07/31/2026	Fenix Holdco	First Water Systems	Provider of water treatment and filtration equipment	NA	NA	NA
07/27/2026	RF Investment Partners	RJ Underground	Water well drilling contractor	NA	NA	NA
07/27/2026	New Jersey-American Water	Gordons Corner Water Company	Regulated water utility in New Jersey	NA	NA	NA
07/14/2026	ePointZero Holding	Traverse Midstream Partners	Natural gas midstream pipeline owner	2,250.0	NA	NA

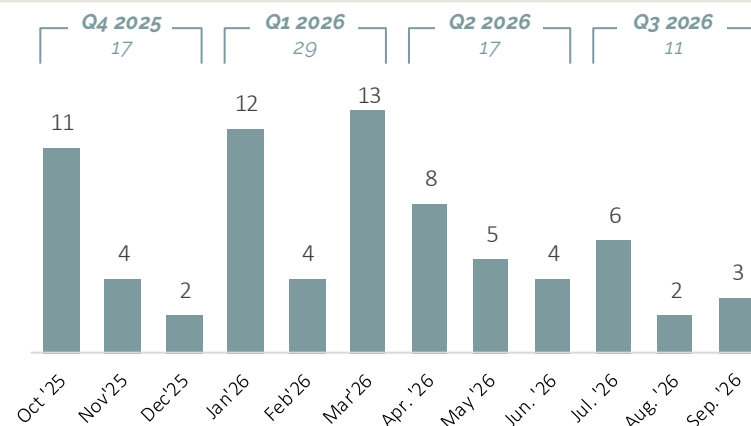
Sources: S&P Capital IQ, DACIS, press releases

- In August and September 2026, drought in the Gatun watershed forced the Panama Canal Authority to cut daily transits from 36 to 34 on September 3 and to 32 on September 15, with Neopanamax draft reduced to 48 feet. The squeeze hit U.S. trade directly, since the canal carries Asia–East Coast container traffic and Gulf Coast LNG exports: one vessel paid a record \$5.3 million for a single transit slot, and CMA CGM imposed a \$500-per-TEU surcharge. The ACP eased the limits on September 28 but warned the water deficit persists.
- On August 10, the administration extended its Jones Act waiver another 90 days through November 14, continuing the longest suspension of the 1920 law on record. The extension narrowed relief to energy commodities and fertilizers and required the Pentagon to consult the Maritime Administration on U.S.-flag vessel availability before approving individual voyages. By early August, 208 voyages across 169 vessels had moved more than 31 million barrels of fuel under the waiver, drawing opposition from domestic maritime groups and senior House Republicans.

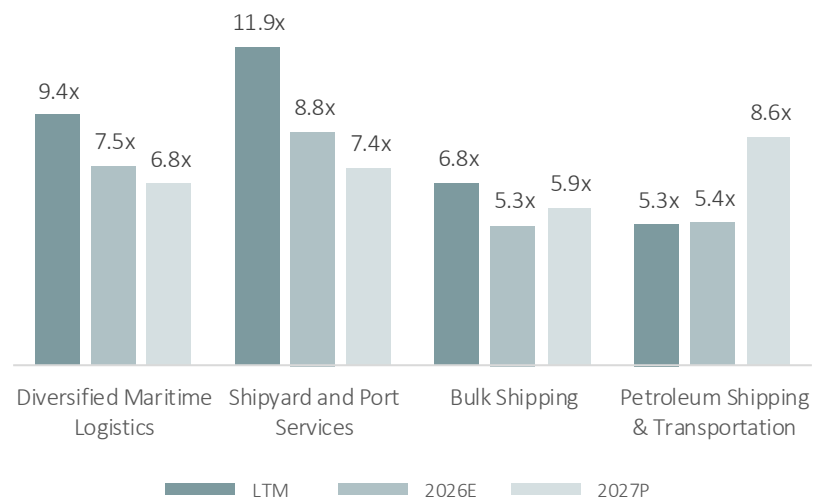
Select Q3 Transactions



TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES



MARITIME TRANSPORT & FACILITIES

	Stock Price 9/30/26	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Kirby Corporation	131.25	8,121	3,618	801	22%	3,865	879	23%	2.24x	10.14x	2.10x	9.24x
Matson, Inc.	219.64	7,165	3,688	817	22%	3,718	821	22%	1.94x	8.77x	1.93x	8.73x
Navios Maritime Partners L.P.	89.91	4,597	1,467	973	66%	1,535	1,006	66%	3.13x	4.72x	2.99x	4.57x
ArcBest Corporation	127.44	3,140	4,494	379	8%	4,838	462	10%	0.70x	8.29x	0.65x	6.79x
Diana Shipping Inc.	2.75	717	242	128	53%	263	151	57%	2.96x	5.60x	2.73x	4.75x
Average	\$114.20	4,748	2,702	619	34%	2,844	664	35%	2.20x	7.51x	2.08x	6.82x
Shipyard & Port Services												
International Container	14.19	34,019	3,952	2,544	64%	4,360	2,853	65%	8.61x	13.37x	7.80x	11.92x
DEME Group NV	196.00	5,331	4,812	1,067	22%	4,756	1,057	22%	1.11x	5.00x	1.12x	5.05x
Tidewater Inc.	81.10	4,070	1,451	580	40%	1,692	746	44%	2.80x	7.02x	2.41x	5.45x
Tutor Perini Corporation	82.52	3,934	6,380	461	7%	7,188	594	8%	0.62x	8.54x	0.55x	6.62x
Orion Group Holdings, Inc.	8.55	506	930	51	5%	1,003	63	6%	0.54x	9.94x	0.50x	8.09x
Average	\$76.47	9,572	3,505	940	28%	3,800	1,063	29%	2.74x	8.77x	2.48x	7.43x
Dry Bulk Shipping												
Star Bulk Carriers Corp.	29.36	4,087	1,175	723	62%	1,038	624	60%	3.48x	5.65x	3.94x	6.55x
Costamare Inc.	14.69	2,921	833	585	70%	831	595	72%	3.51x	4.99x	3.52x	4.91x
Danaos Corporation	154.31	2,788	1,076	765	71%	1,094	731	67%	2.59x	3.65x	2.55x	3.81x
Global Ship Lease, Inc.	44.14	1,740	764	511	67%	715	464	65%	2.28x	3.40x	2.43x	3.75x

MARITIME TRANSPORT & FACILITIES

	Stock Price 9/30/26	Enterprise Value	CY2026E			2027P			TEV/2026E		TEV/2027P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Genco Shipping & Trading	26.16	1,394	388	232	60%	360	195	54%	3.59x	6.00x	3.87x	7.13x
Safe Bulkers, Inc.	8.54	1,349	322	194	60%	291	160	55%	4.19x	6.94x	4.64x	8.44x
Pangaea Logistics Solutions	8.02	815	745	131	18%	742	121	16%	1.09x	6.21x	1.10x	6.72x
Average	\$40.75	2,156	758	449	58%	724	413	56%	2.96x	5.26x	3.15x	5.90x
Petroleum Products Transportation												
International Seaways, Inc.	110.14	5,699	1,342	917	68%	1,004	523	52%	4.25x	6.21x	5.68x	10.89x
DHT Holdings, Inc.	22.57	3,918	837	749	89%	573	473	83%	4.68x	5.23x	6.84x	8.28x
Scorpio Tankers Inc.	83.70	2,697	1,218	687	56%	864	420	49%	2.21x	3.92x	3.12x	6.42x
Teekay Tankers Ltd.	97.06	2,192	1,038	620	60%	753	350	47%	2.11x	3.54x	2.91x	6.25x
Nordic American Tankers	7.90	1,946	311	219	70%	280	179	64%	6.26x	8.90x	6.95x	10.85x
Ardmore Shipping	18.66	749	268	171	64%	176	85	NA	2.80x	4.38x	4.26x	8.84x
Average	\$56.67	2,867	835	560	68%	608	338	59%	3.72x	5.37x	4.96x	8.59x
Low	\$2.75	\$506	\$242	\$51	5%	\$176	\$63	6%	0.54x	3.40x	0.50x	3.75x
Mean	\$68.64	\$4,517	\$1,798	\$622	49%	\$1,823	\$589	46%	2.94x	6.54x	3.24x	7.13x
Median	\$44.14	\$2,921	\$1,076	\$585	60%	\$1,003	\$473	53%	2.80x	6.00x	2.91x	6.72x
High	\$219.64	\$34,019	\$6,380	\$2,544	89%	\$7,188	\$2,853	83%	8.61x	13.37x	7.80x	11.92x

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
7/2/2026	A.P. Moller Holding	Ocean Yield AS	Owns and leases a fleet of over 70 vessels under long-term charters to shipping operators	NA	NA	NA
7/11/2026	Mirazur Capital	OneOcean Port Vell SA	Operates a 148-berth superyacht marina in Barcelona serving vessels up to 190 meters	NA	NA	NA
7/14/2026	Odyssey Investment Partners	TransPak, Inc.	Designs engineered crating, packaging, and global logistics for fragile, high-value equipment	NA	NA	NA
7/20/2026	NYK Holding (Europe)	Saga Welco AS	Operates 48 open-hatch vessels carrying pulp, forest products, aluminum, and project cargo	NA	NA	NA
7/21/2026	Bluestone Investment Partners	Delphinus Engineering, Inc.	Provides maintenance, modernization, and sustainment services for U.S. Navy vessels	NA	NA	NA
7/22/2026	Inverlussa Marine Services	LCL Shipping Limited	Transports aquaculture feed throughout Shetland with a three-vessel fleet	NA	NA	NA
8/17/2026	Antin Infrastructure Partners	Vigor Industrial LLC	Operates five U.S. shipyards providing ship repair, modernization, and marine fabrication	NA	NA	NA
9/28/2026 ¹	A.P. Moller Capital	Euroports Group	Operates over 50 bulk and breakbulk port terminals across Europe and China	NA	NA	NA

Sources: S&P Capital IQ, DACIS, press releases

1. Announced, not closed

Defense, Government & Intelligence

Defense Primes

BAE Systems	BA.
General Dynamics	GD
L3Harris Technologies	LHX
Lockheed Martin	LMT
Northrop Grumman	NOC
RTX Corporation	RTX

Government Contractors

Amentum	AMTM
Booz Allen Hamilton	BAH
CACI International	CACI
Leidos	LDOS
Parsons	PSN
SAIC	SAIC
V2X	VVX

Defense Systems

AeroVironment	AVAV
Elbit Systems	ESLT
HEICO	HEI
Kratos Defense & Security	KTOS
Leonardo DRS	DRS
Mercury Systems	MRCY
Teledyne Technologies	TDY

Physical & Cyber Security

Security Services

Securitas AB	SECU B
The Brink's Company	BCO
Prosegur	PSG
Loomis AB	LOOMIS

Security Solutions

Honeywell International	HON
Johnson Controls International	JCI
Motorola Solutions	MSI
ADT	ADT
Allegion	ALLE
Alarm.com Holdings	ALRM
Napco Security Technologies	NSSC

Cyber Security

Palo Alto Networks	PANW
CrowdStrike	CRWD
Fortinet	FTNT
Zscaler	ZS
Cloudflare	NET
Check Point	CHKP
Okta	OKTA

Critical Infrastructure

Water Utilities

American Water Works	AWK
Essential Utilities	WTRG
California Water Service	CWT
American States Water	AWR
SJW Group	SJW
Consolidated Water	CWCO
Global Water Resources	GWRS

System Solutions

Danaher	DHR
Dover	DOV
Xylem	XYL
IDEX	IEX
Pentair	PNR
A. O. Smith	AOS
Watts Water Technologies	WTS

Components

Graco	GGG
Flowserve	FLS
Franklin Electric	FELE
Badger Meter	BMI
SPX FLOW	FLOW
Mueller Water Products	MWA
The Gorman-Rupp	GRC
Energy Recovery	ERII

Infrastructure

AECOM	ACM
Tetra Tech	TTEK
Clean Harbors	CLH
EMCOR Group	EME
Arcosa	ACA
Primoris Services	PRIM

Maritime Transport & Facilities

Diversified Maritime Logistics

Algoma Central	ALC
Matson	MATX
Kirby	KEX
ArcBest	ARCB
Diana Shipping	DSX

Shipyard & Port Services

International Container Serv.	ICT
Great Lakes Dredge & Dock	GLDD
Tidewater	TDW
Orion Group	ORN
DEME Group NV	DEME

Dry Bulk Shipping

Costamare	CMRE
Star Bulk Carriers	SBLK
Danaos	DAC
Global Ship Lease	GSL
Safe Bulkers	SB
Genco Shipping & Trading	GNK

Petroleum Products Transportation

Scorpio Tankers	STNG
International Seaways	INSW
Teekay Tankers	TNK
DHT Holdings	DHT
Nordic American Tankers	NAT
Ardmore Shipping	ASC



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