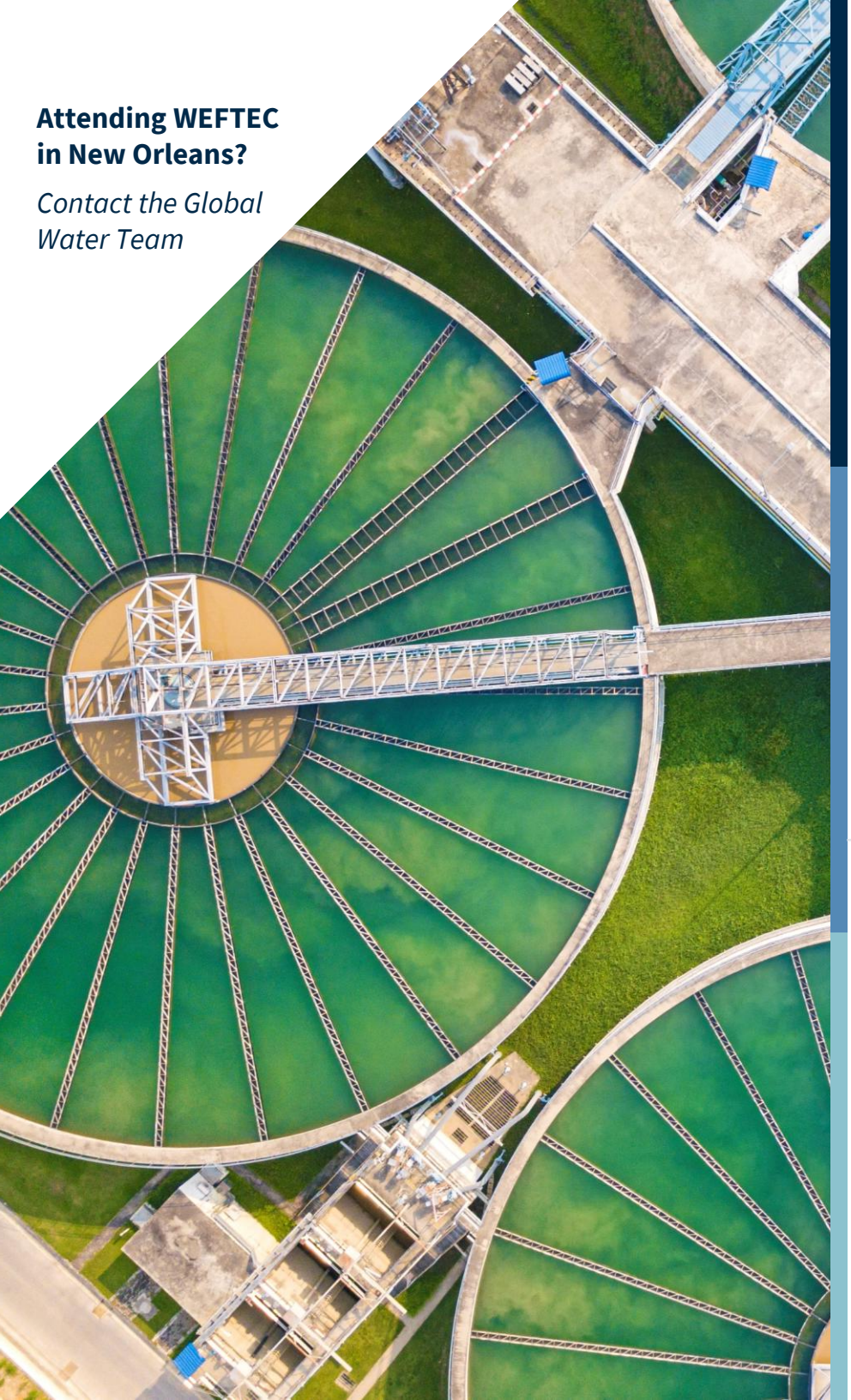

Attending WEFTEC in New Orleans?

Contact the Global Water Team

RAYMOND JAMES | INVESTMENT BANKING

WATER QUARTERLY

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

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For Institutional Use Only

SUMMER 2026

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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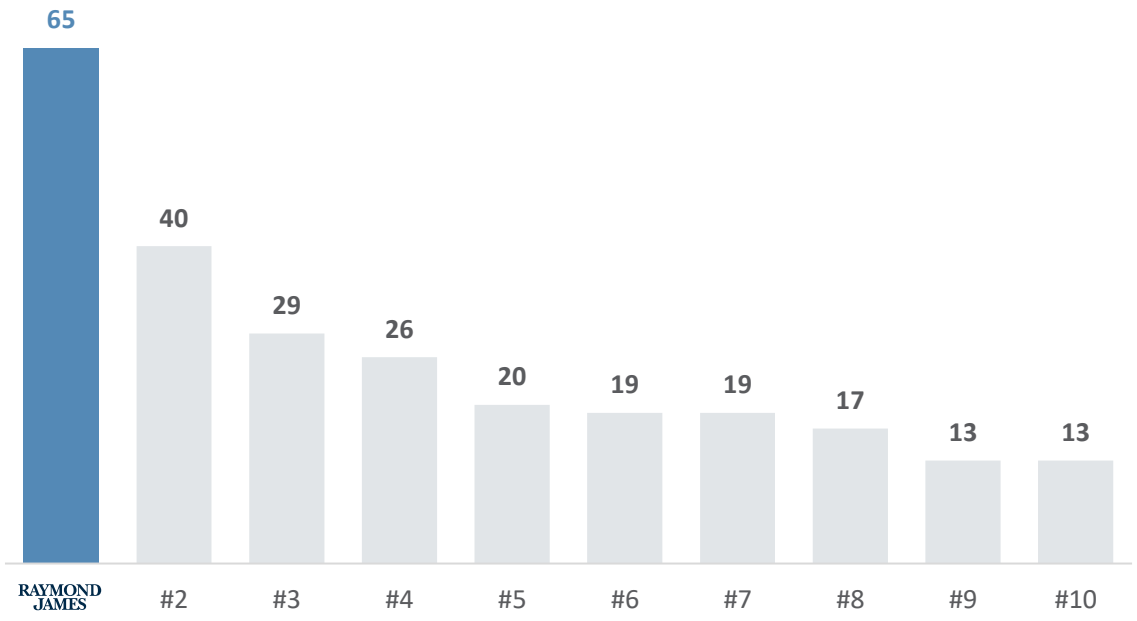
#1 GLOBAL WATER INVESTMENT BANK(1)



April 2026

a portfolio company of

has been acquired by

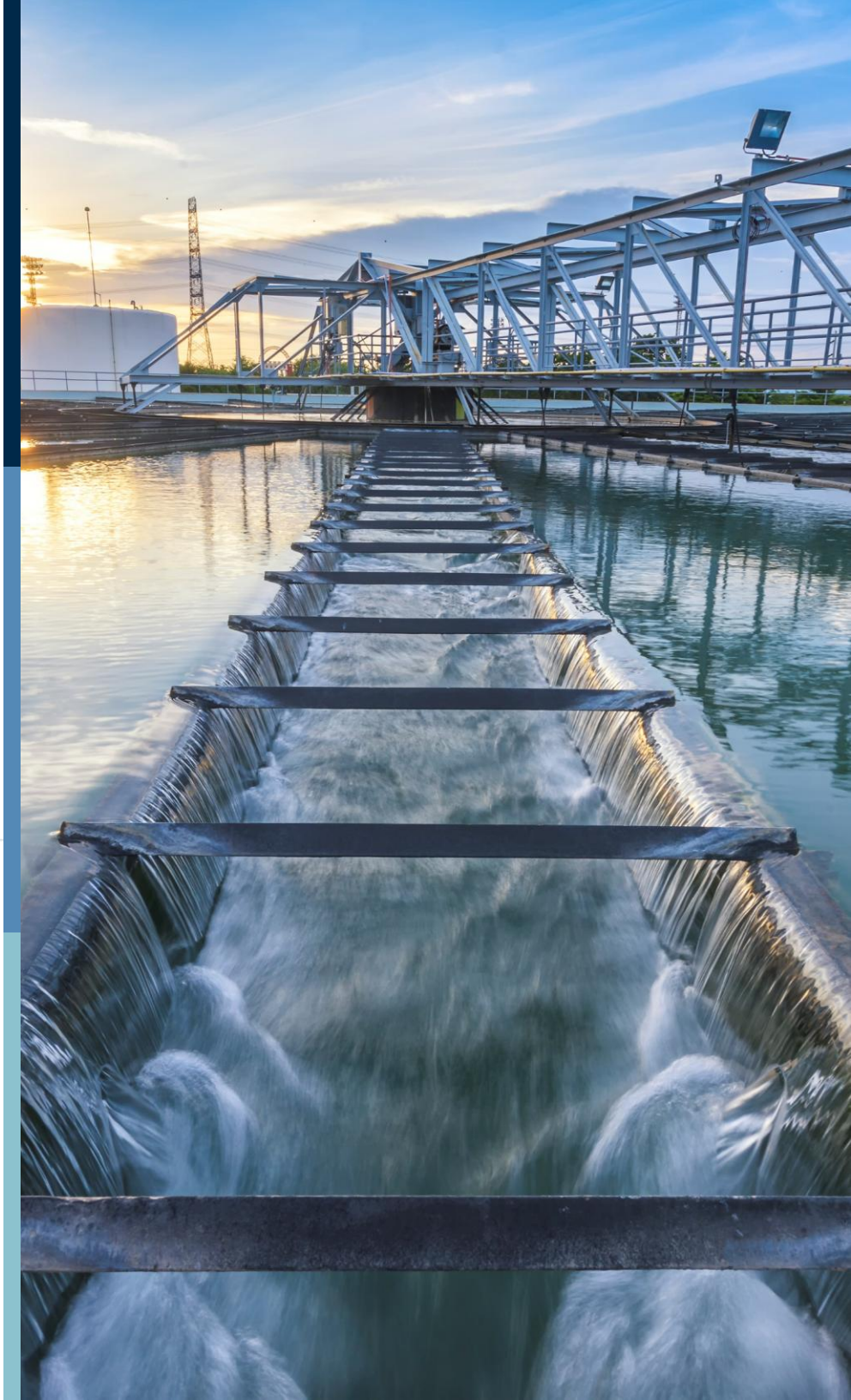
ABOUT SCRUGGS

Scruggs is a leading provider of mission-critical water and wastewater infrastructure solutions, combining value-added distribution of valves, actuators and MRO products with a comprehensive suite of repair, maintenance and technical services for municipal customers across the Southern U.S.

Source: S&P Capital IQ, MergerMarket, Raymond James Research.
(1) "#1 Global Water Investment Bank" refers to number of transactions closed in the Water sector relative to other banks since 2016.

SECTION 01

Deals in Focus



Case Study: Project Icons

April 2026

SCRUGGS COMPANY

a portfolio company of

ROX CAPITAL PARTNERS

has been acquired by

THE STERLING GROUP

Target	Acquiror
Scruggs	The Sterling Group
Date	**Deal Size**
April 2026	Not Disclosed

BACKGROUND

- In April 2026, Scruggs (or the "Company"), a portfolio company of Rox Capital Partners, announced that it had agreed to be acquired by The Sterling Group
- The Company is a leading regional provider of municipal water infrastructure solutions, delivering highly technical products and services across the Southern U.S.
- The Company provides valve, actuation, instrumentation, SCADA, pump and blower solutions through a diversified service and distribution platform
- Scruggs serves the municipal end market, with aging infrastructure driving robust repair and replacement demand across its core geographies

RAYMOND JAMES' ROLE

- Raymond James served as the exclusive sell-side advisor to Scruggs in its sale to The Sterling Group
- Conducted a targeted process focused on a select group of high-conviction financial sponsors and strategic parties
- Positioned Scruggs as a market-leading municipal water infrastructure solutions provider with a highly technical employee base, exclusive Tier 1 OEM relationships and a strong Southern U.S. footprint
- Following a competitive process that yielded multiple LOIs, Scruggs was ultimately acquired by The Sterling Group

SUCCESSFUL OUTCOME

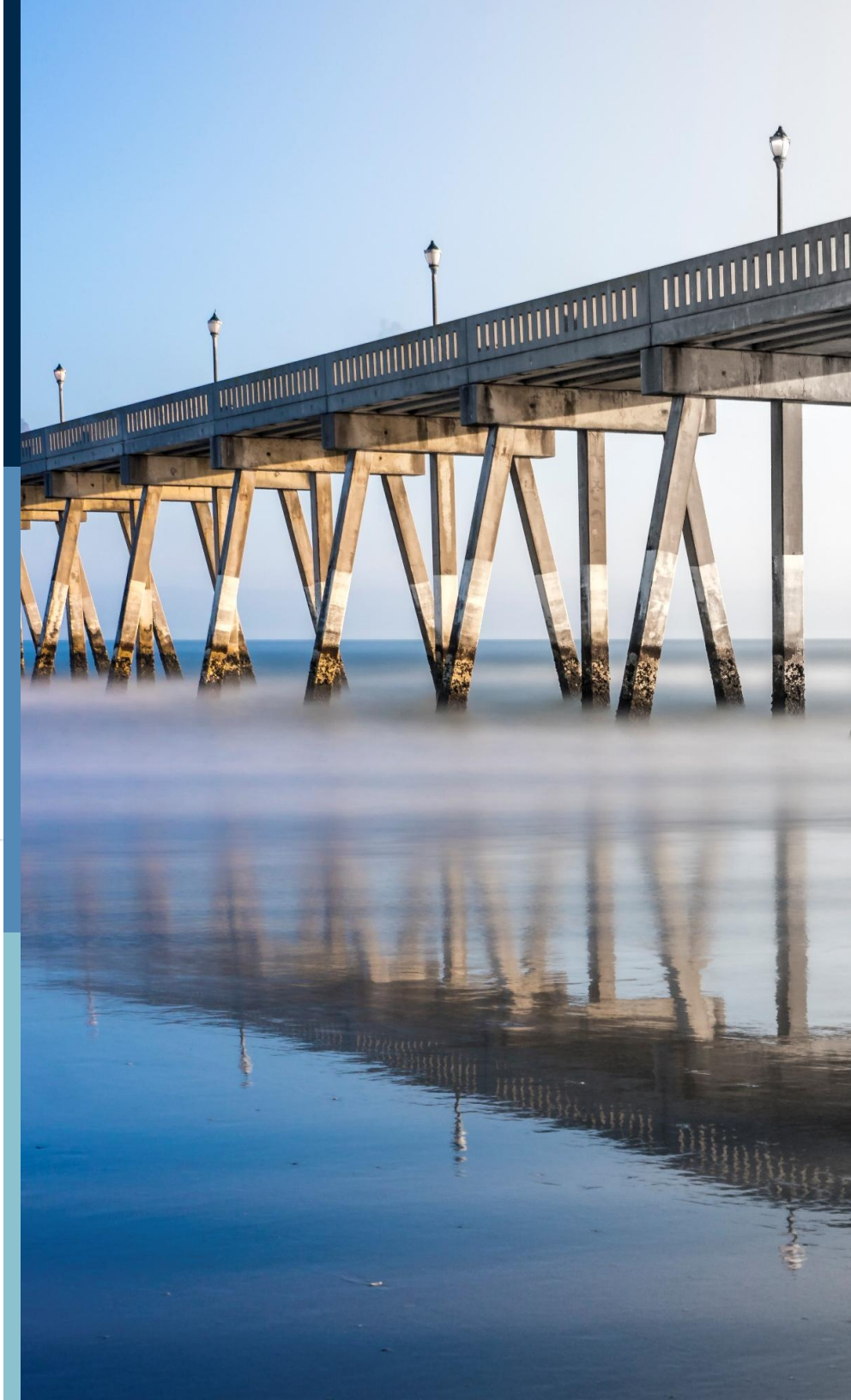
- The transaction delivered a successful outcome for Scruggs, Rox Capital Partners and the Company's management team
- The Sterling Group recognized Scruggs as an attractive platform investment within the municipal water infrastructure market, supported by durable repair and replacement demand
- The Company's diversified revenue profile, blue-chip supplier relationships and expansive geographic reach supported strong buyer interest throughout the process
- The transaction positions Scruggs to continue scaling its municipal water infrastructure solutions platform through organic expansion and M&A

KEY VALUE DRIVERS

- ✓ Regional market-leading position
- ✓ Highly technical employee base
- ✓ Diversified service and distribution profile
- ✓ Exclusive Tier 1 OEM partnerships
- ✓ Attractive municipal end-market exposure
- ✓ Proven organic and M&A growth

SECTION 02

Contribution Corner



What's in Your Water? One of the World's Most Important Commodities Faces Dual Challenges

Contribution Corner:

RAYMOND JAMES

by Pavel Molchanov, Investment Strategy Group

For a commodity that is so central to life itself, water gets surprisingly little attention – simply put, most of the time it is taken for granted. Whenever water is in the headlines, something has gone badly wrong. While serious water crises are rare, water is an increasingly scarce resource, and problems with contamination are also coming to the forefront. Let's look at how these dual challenges – improving availability as well as quality – are being addressed. This report concludes with some thoughts on investing in the water industry.

Water Supply Is Becoming Tighter Everywhere, but It Varies Greatly Around the World

Many climate researchers have concluded that rising temperatures are contributing to increased drought risk. This overarching trend is visible everywhere, but there is a massive amount of variability from country to country in how much water supply is available on a per-capita basis. The Middle East naturally comes to mind as a region facing water scarcity, but it is not alone in that regard. CLICK on this link to access interactive data regarding how much freshwater could be theoretically accessed in each country, setting aside infrastructure-related constraints. Looking at the major economies, we can see that Canada is in excellent shape, whereas India has inherent scarcity. The US is near the middle of the spectrum. Within the US, our readers in California and the Southwest need no reminders about the unpleasant measures that local governments have had to use in response to periodic water shortages, such as bans on lawn watering and car washing.

As we think about climate adaptation – how businesses and consumers are adapting to global heating – dealing with scarce water resources is the prime example. Each country and community has its own particular risk level, but the trend in many parts of the world is heading in the direction of greater scarcity. This issue won't get any easier; rather, it is a question of how much tougher it will become over time.

Key Takeaways

Addressing water scarcity – which is part of the broader story of climate adaptation – requires investments in metering, desalination and water recycling.

Concurrently, improving water quality requires scaling up several technologies: activated carbon, ion exchange, reverse osmosis and supercritical oxidation.

All types of water infrastructure involve lengthy project timetables. This is a marathon rather than a sprint.

Water Has More Uses Than You Might Think

All of us obviously need water for drinking, cleaning and other everyday uses. But the vast majority of the world's water usage – approximately 70%[1] – is tied to agriculture, especially irrigation of crops. Another large category of water usage is less obvious: power plants. In the US, the electric power industry used nearly a stunning 48 trillion gallons of water in 2020.[2] Nuclear and coal plants and, to a lesser extent, natural gas plants need water for cooling. Hydropower also relies on water, of course, but does not actually "consume" it.

More recently, two other drivers of water usage have emerged. The first one is the data center buildout. While it is well-known that data centers (especially of the hyperscale variety) are very energy-intensive – using as much electricity as a mid-size city[3] – it is less widely appreciated that they also require large amounts of water for cooling, similar in a sense to the aforementioned power plants. Second, production of green hydrogen (which we wrote about earlier this year) is based on electrolysis of water (separating H2O into hydrogen and oxygen). While green hydrogen is certainly more climate-friendly than gray (conventionally produced) hydrogen, there is no getting around the fact that green hydrogen projects can only be built in areas with adequate water supply.

(1) Center for Strategic and International Studies; (2) American Public Power Association; (3) Reuters.

What's in Your Water? One of the World's Most Important Commodities Faces Dual Challenges (Cont.)

Addressing Water Scarcity Requires Both Demand-Side and Supply-Side Investments

The first step to making sure there is enough water for everyone is to improve water conservation. There is an important but hard-to-quantify metric to think about: non-revenue water, which refers to water that goes missing somewhere in the supply chain, prior to reaching end users. By definition, non-revenue water is unaccounted for, but the World Bank has estimated the massive scale of this problem: up to 40% in emerging markets,[1] with industrialized countries typically in better shape but far from perfect. Non-revenue water comprises physical losses (pipeline leaks, main breaks, storage tank overflows) as well as apparent losses (meter inaccuracies, data handling errors). A key tool for reducing non-revenue water is for meters to become as universal in water markets as they are in electricity markets. Water meters obviously cost money to install, but it is surely a better option than having a double-digit percentage of water supply go missing.

On the supply side of the equation, desalination and water reuse are the main solutions for supplementing conventional water supply (rainfall and aquifers). As it stands, only a low-single-digit percentage[2] of the world's drinking water comes from desalination, though the numbers are much higher in the Middle East. Remember the 2022 World Cup in Qatar? It could not have happened without desalination. Water reuse, also known as water recycling, can be controversial – critics call it "toilet to tap" – but it is used successfully in Florida,[3] parts of the Middle East, as well as small island economies such as Singapore[4] and Cyprus.

Chances Are, Your Drinking Water Contains Some Things You Would Much Rather Avoid

Assuming that enough water is available, the next question is whether it is suitable for human consumption. A variety of contaminants have been identified in drinking water systems throughout the United States. If you live near a nuclear plant, it might be uranium. For people in farming communities, a problem is nitrates. There are frequent headlines about PFAS, a family of thousands of chemicals – known as "forever chemicals" – that are typically found near military bases and heavy industrial sites. Fortunately, it is not often that a severe water contamination crisis occurs in the US or other industrialized countries. You might recall what happened in Flint, Michigan (2014), or Jackson, Mississippi (2022). This issue tends to be more common in emerging markets, as the infrastructure buildout in places such as India struggles to keep pace with urbanization-driven demand growth.

There are several water treatment technologies[5] whose mainstreaming would go a long way to making drinking water safer. None of these options are cheap, but the alternative can be much less appealing. First, there is activated carbon, a family of adsorbents that are derived from either coal or biomass (e.g., coconut shells). Second, ion exchange, which is mainly used for water treatment in specialized end markets, such as nuclear power plants and electronics manufacturing. Third, reverse osmosis, which can be used in small-scale systems in individual homes, as well as large utility-owned plants. Finally, supercritical oxidation – the earliest-stage technology – may be especially effective at treating the most hazardous substances, such as PFAS.

In the meantime, what can all of us do to help protect ourselves from subpar water quality in our communities? Here are three options to consider, from basic to sophisticated, depending on your situation:

- **Purchase bottled water**. Single-use water bottles are convenient but expensive on a per-gallon basis, and they are also problematic from the standpoint of sustainability (given that plastic is notoriously difficult to recycle).[6] Refillable bottles – commonly referred to as five-gallon jugs, which are typically delivered to homes or businesses – offer a lower-cost and environmentally friendlier option.

(1) World Bank; (2) World Economic Forum; (3) WateReuse Association; (4) World Economic Forum; (5) U.S. Environmental Protection Agency; (6) Scientific American.

What's in Your Water? One of the World's Most Important Commodities Faces Dual Challenges (Cont.)

• **Utilize water purifiers.** Countertop water purifiers (pitchers) are low-cost. After the initial purchase, the only expense is periodically replacing the filter.

• **Install a whole-home filtration system.** These are professionally installed and can be pricey – anywhere from $1,000 to more than $5,000[1] – but they have the benefit of treating all of the water in the house, not solely for drinking.

On the supply side of the equation, desalination and water reuse, as shown in the following chart, are the main solutions for supplementing conventional water supply (rainfall and aquifers). As it stands, only a low-single-digit percentage of the world's drinking water comes from desalination, though the numbers are much higher in the Middle East.

Putting Everything Together: Water Infrastructure Needs Plenty of Work

Every four years, the American Society of Civil Engineers unveils its report card for the nation's infrastructure, including a wide range of water-related categories. In the latest report card,[2] published in 2025, drinking water systems got a C-. That's actually decent compared to stormwater systems (D), dams (D+), and wastewater systems (D+). The dismal state of water infrastructure is partly due to the industry's fragmentation: there are a whopping 150,000 water utilities[3] in the US, the vast majority of which are tiny municipal agencies. Tens of thousands of them lack the resources to invest in modern, efficient equipment. As we noted earlier, while US water infrastructure is undoubtedly problematic, much of the world's water infrastructure is in even worse condition.

The EPA estimates that US water infrastructure needs $625 billion of capital spending[4] over a 20-year period. Historically, the industry has underinvested, so in all likelihood it will take even longer to "catch up". But even if, as a best-case scenario, all of the necessary work were to be completed over the next two decades, that is still very much a marathon rather than a sprint. Water infrastructure projects across the board involve lengthy timetables that encompass planning, permitting and construction.

What Are Some Ways to Invest in the Water Industry?

Companies involved in the water industry are found in two sectors: utilities and industrials. US water utilities, along with their electric and natural gas counterparts, are regulated businesses. In other words, their return on capital is largely set by state-level regulators. This results in profitability that is mostly predictable, but all utilities are subject to the risk of higher interest rates, bearing in mind that they tend to have levered balance sheets. The main difference between water utilities is simply their geographic footprint. A few companies operate across the US, but most focus on a particular region or even a single state.

In the industrials sector, a wide variety of companies supply equipment for the water industry. Large-cap companies tend to have a diversified product range, while smaller companies may focus on one or two specific technologies. Water utilities are key customers for the equipment manufacturers. Water distribution infrastructure requires pipes, pumps and valves. Water treatment plants need various types of heavy-duty equipment as they are originally built, and thereafter they continually use specialized chemicals. Desalination plants need membranes and, for optimal efficiency, energy recovery devices. Real estate developers and homebuilders also purchase pipes – albeit on a smaller scale (for example, in sprinkler systems) – as well as water meters. Finally, software is playing an increasingly visible role in managing water infrastructure. Risks faced by these companies include 1) economic cyclicality: When the economy slows down, there is less construction of new buildings; 2) input cost risk: Steel and other metals are important raw materials; and 3) currency risk: These are typically multinational businesses.

About the Author:

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(1) Modernize; (2) American Society of Civil Engineers; (3) Cybersecurity Dive; (4) U.S. Environmental Protection Agency.

PFAS Regulation Converts Water Contamination Into Mandatory Investment

Contribution Corner:

valantic

Since January 2026, EU PFAS[1] drinking water limits have been enforceable, and Germany's threshold tightens further by 2028. Documented contamination across Europe now sits behind a compliance-driven investment cycle, with industrial discharge rules tightening in parallel to extend the same dynamic to manufacturers. The specialist provider base remains fragmented, and consolidation among global platforms is already underway. For B2B water treatment assets, the regulatory direction of travel is set; the remaining question is how quickly exposure converts into contracted, recurring revenue.

Contamination Extent

Europe holds more than 20,000 documented PFAS-affected sites, of which roughly 12,000 exceed the 100 ng/l[2] threshold classified as harmful to health, and around 2,100 qualify as hotspots above 10,000 ng/l, the most severe cases and the ones requiring the most intensive treatment. Germany accounts for 1,900 of the documented sites, the UK a further 1,500. Regulators estimate at least 20,000 additional cases remain undetected across Europe, including roughly 2,000 in Germany and 900 in the UK. In the US, more than 3,100 contaminated public water supply sources have been identified across 50 states, covering only drinking water and military sites; total contamination across all water and medium types is considered substantially higher. The known base is a floor. Among the pollutant types tracked across the water treatment market, PFAS ranks highest on both revenue potential and market momentum, ahead of pharmaceuticals, heavy metals and nutrients.

Regulatory Timeline

EU Drinking Water Directive limits (0.1 µg/l)[3] became enforceable in January 2026 across 15 member states. Germany moves further: its national TrinkwV[4] threshold tightens to 0.02 µg/l by 2028, 5x stricter than the EU baseline, with roughly 250 German providers facing direct investment need (derogation windows of up to six years remain available under §62–68 TrinkwV). The EU Packaging Regulation bans PFAS in food-contact packaging from August 2026, extending the compliance perimeter beyond water utilities. A parallel track adds further pressure: the EU's scientific review of a universal PFAS restriction, covering an estimated 10,000 substances under REACH[5], concluded its assessment phase in 2026, with a binding restriction expected in 2027–2028. Industrial dischargers face a second, slower-moving wave: the IED[6] recast tightens Best Available Techniques limits for water-intensive industries, and Germany's environment agency is developing PFAS discharge standards under the AbwV[7], with this spend expected to trail the municipal wave by two to four years. This build-up sits on decades of narrowing substance bans – PFOS (2006), PFOA (2020), PFHxS (2023), C9–C14 PFCA compounds (2024) – each converting a specific chemical into an enforceable removal obligation.

Provider Landscape

The specialist provider base addressing this demand remains fragmented. PFAS pure-play specialists, including Cornelsen, evocra, SENSATEC, Puraffinity, axine and cyclopure, compete on proprietary, single-technology intellectual property but limited scale and geographic reach. High barriers to entry, including complex process engineering know-how, scarce qualified personnel and local regulatory network requirements, protect incumbents' positions but also constrain organic scale-up. Global consolidators are moving to close that gap: Xylem's acquisition of Evoqua is the clearest signal. For platforms able to aggregate specialist capability ahead of the next compliance wave, entry timing and multiple discipline matter as much as the underlying technology.

Note: Raymond James is not affiliated with and does not endorse valantic, Jan Dingerkus or Daniel Meyn.
(1) PFAS: per- and polyfluoroalkyl substances; (2) ng/l: nanograms per liter, a unit of contamination concentration; (3) µg/l: micrograms per liter; (4) TrinkwV: German Drinking Water Ordinance; (5) REACH: EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals; (6) IED: Industrial Emissions Directive, (7) AbwV: German Wastewater Ordinance.

Consumer Awareness Follows and Fuels a Parallel Market

Consumer search interest in "PFAS" has risen sharply since 2021, pointing to a filtration market that is growing independently of regulatory timelines and driven instead by awareness. For owners and investors in this segment, that independence is the point: demand durability depends on media cycles, and diligence needs to test it on those terms.

Consumer Awareness

Search interest in PFAS-related terms rose 13x between 2021 and 2026, alongside a broader rise across water-quality search terms: "tap water" search interest is up 1.9x and "water filter" 1.2x over the same period, together indicating that consumer attention to drinking water quality is increasing across the board. A sharp spike in mid-2022, coinciding with pan-European contamination reporting, has since settled at a structurally higher baseline. Unlike the B2B segment, this demand carries no regulatory purchase mandate: adoption depends on consumer awareness. France's 2025 launch of a public PFAS contamination map adds a further, self-reinforcing driver to the trend.

Recurring Revenue & Consolidation

The stand-alone filter segment is structurally positioned to capture this demand, with products typically carrying four-to-six-month cartridge replacement cycles that build a recurring revenue pattern behind the initial device sale.

That economics is already drawing consolidation: BRITA's acquisition of LARQ (2024) and Bluewater's acquisitions of TAPP Water (2023) and FloWater (2022) mark the segment's first multi-brand roll-ups, while Altor Fund V's majority stake in Aarke signals private equity's direct entry into the category.

Investor Implications

For B2B water treatment assets, regulatory certainty supports valuation durability, but revenue quality diverges: project-based remediation work differs materially from contracted O&M and technology licensing, and that split needs decomposing at customer level. Compliance-driven revenue draws a broad buyer pool, with trade sale to integrated water majors such as Veolia, Xylem and SUEZ the natural exit path. For consumer-facing filtration assets, PFAS awareness structurally lowers customer acquisition cost, but the demand base is discretionary and tied to media cycles. Exit potential here is narrower, concentrated among premium appliance and filtration players such as Quooker, GROHE and BWT seeking channel extension.

At Valantic, we cover both B2B and consumer assets in the water technology and services space. We maintain viewpoints on the broader industry as well as on specific targets, available on request, and support investors and owners through commercial, product and technology due diligence, and value creation across the full investment lifecycle.

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Rise of the Robots for In-Pipe Inspection: How Market Dynamics Are Shifting

Contribution Corner:

As crawler hardware matures, the value-add in robotics for visual in-pipe inspection is migrating upwards, into the analytics stack, and outwards, into parts of the network that have been surveyed very little or never. A well-established practice in sewer inspection, the use of robotics continues to grow as reactive remediation shifts into proactive maintenance. A growing use in drinking water networks is giving utilities much better visibility of asset condition as non-revenue water reduction initiatives expand.

Regulation and Ageing Assets Write the Order Book

Demand generally tracks condition assessment programmes at US and European utilities, which combine significant maintenance budgets with ageing assets. EPA consent decrees oblige US utilities to inspect mains sewers and manholes network-wide, and others inspect to avoid one. In Europe, the recast Urban Wastewater Treatment Directive should drive assessment through the integrated management plans required for agglomerations above 100,000 p.e. by 2033; Germany's compulsory regimes are long-established, while France and the UK are continued markets of interest. A renewed market of relevance is Japan, which has just legislated on sewer maintenance after the 2025 Yashio sinkhole disaster, which was triggered by a sewer rupture. India and Singapore represent emerging demand in Asia Pacific.

The Value-Add Moves Beyond the Robot

AI and data processing have cut the cost of operations for visual in-pipe inspection, meaning more length of sewer is surveyed per day, lifting contractor productivity. AI-driven specialists such as SewerAI, Fluid Analytics and VAPAR let crews collect video continuously rather than stopping at each defect, with coding done off-site. Hardware vendors carry their own well-established platforms, notably IDEX's WinCan and CUES' GraniteNet, but entrants have loosened the tie between robot and reporting software, letting utilities standardise across mixed fleets and pulling inspection into asset management planning. It is thought that a lot of the sewer network remains uninspected even in developed nations. As one indication of the levels of inspection reached – which could include by push cameras too - SewerAI estimates it has video footage within its platform covering between five to ten percent of the whole 1.3-million-mile US sewer network (including laterals).

Incremental Gains in a Mature Machine

Harsh sewer environments make rapid innovation difficult, so crawler differentiation rests on reliability, ease of use and the accessories that adapt a machine to sediment, flow and pipe material. Payloads are widening beyond the pan-tilt-zoom camera to laser profiling, sonar and geometry measurement, as well as LiDAR to sometimes map network assets at the same time. Business models aren't evolving too much, with equipment sales either to contractors or utilities directly still the most prevalent , although Pittsburgh-based EdgeAI Systems has entered with a smaller, lighter crawler sold as hardware-as-a-service.

Pushing into Other Diameter Sewer Pipes

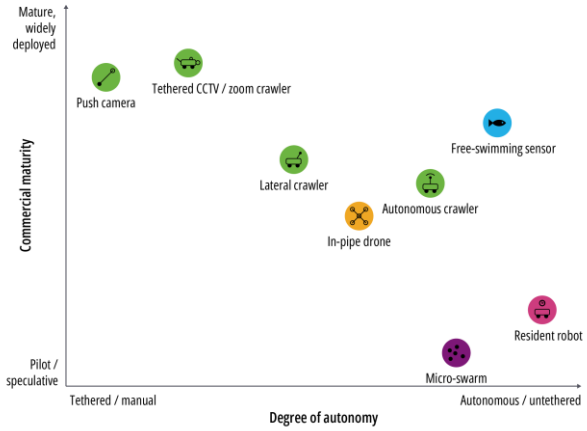
Tethered crawlers work mainly in mainline sewers, though extended-range lateral launchers are displacing push cameras in laterals on some occasions, reaching 500m from an access point against about 100m. Interceptor sewers meanwhile, with deep fast flows and sparse access, are inspected least often despite carrying the highest consequence of failure. Only highly-specialised crawlers or flow-driven devices currently do the job, but within the last few years Swiss company Flyability's Elios 3 drone, used by Veolia and Suez among others, has become an intriguing option for

Note: Raymond James is not affiliated with and does not endorse Global Water Intelligence or Charlie Walker.

Rise of the Robots for In-Pipe Inspection: How Market Dynamics Are Shifting (Cont.)

larger diameter pipes. Rising (or force) mains are less inspected still, but innovation projects like the UK-based Pipebots for Rising Mains are targeting robot insertion under pressure.

More autonomous solutions will likely come in the next decade or so: resident robots – patrolling the sewers for days at a time – are a key focus of future developments but not without their challenges. Micro-swarms are an idea introduced and championed by the University of Sheffield in the UK, but have not seen commercial deployment yet. A free-swimming sensor is not classed as a robot in this article but included here for reference.



Drinking Water: The New Frontier

Robots in potable networks have developed only over the past five years, pioneered by ACWA Robotics in France and Solinas Integrity in India. ACWA's device rides the flow but grips the pipe wall to stop and collect data, working in 300–900mm pipes over runs of up to 5km. Solinas built crawlers for pipes as small as 100mm, matching Indian networks where intermittent supply lets silt and debris accumulate. Both are inserted into live mains and geolocate as they map. Like in sewers, use is tilting from leak detection towards higher-value condition assessment to help save unnecessary asset renewal spend, and both vendors are now looking abroad.

A Fully Autonomous Future?

RedZone Robotics' Solo, launched in 2009, remains the only commercial untethered sewer robot, and for devices intended to reside in a network or go significant distances untethered, a key constraint is data rather than robotics technology. Routing an autonomous machine demands high confidence in network records, and retrieving a stuck robot can be expensive. Numerous research projects are targeted at developing more autonomous robots, but they are several years away from full commercial application.

About the Author:

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Charlie is a Research Director at Global Water Intelligence (GWI), where he focuses on research and insights across the global water sector. He brings 10 years of experience covering the industry and its role in addressing climate change, sustainability and global development.

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The Intelligence Gap: The Next Competitive Advantage in the U.S. Water Market

Contribution Corner:

AQUAINTEL

For decades, competitive advantage in the U.S. water sector has been defined by engineering excellence. Companies differentiated themselves through better treatment technologies, more efficient pumps, advanced automation, stronger asset management solutions, or innovative approaches to infrastructure renewal. Those capabilities remain essential.

But after spending more than a decade working alongside technology providers, engineering firms, and investors across the natural resources sector (including water, wastewater & minerals/metals), I have come to believe that another competitive advantage is quietly becoming just as important. One that receives far less attention.

It is not technology. It is not funding. It is not even access to data.

It is commercial intelligence.

As the U.S. water market becomes larger, more competitive, and more complex, the organizations that consistently outperform will not simply be those with superior products. They will be those that understand utilities more deeply than their competitors.

A Market Rich in Data, Yet Poor in Intelligence

The U.S. water sector is entering one of the most significant investment cycles in its history. Utilities are simultaneously responding to four structural forces: aging infrastructure requiring modernization, increasingly stringent regulatory requirements, climate resilience investments, and workforce shortages accelerating automation and digital transformation.

Public funding through the Infrastructure Investment and Jobs Act (IIJA), State Revolving Funds (SRFs), and numerous state programs has further strengthened long-term market opportunities.

On the surface, this appears to be an exceptionally transparent market; Utilities publish Capital Improvement Plans (CIPs). Board meetings are open to the public. Regulatory filings, engineering studies, consultant reports, procurement notices, permits, budgets, and funding announcements are all available through public channels.

Information has never been more abundant. Yet companies selling into the sector continue to face remarkably similar challenges.

- Sales cycles regularly extend over multiple years (18-36 months).
- Qualified opportunities stall unexpectedly.
- Projects emerge seemingly without warning.
- Significant business development resources are invested in pursuits that ultimately go nowhere.

These frustrations persist despite the unprecedented availability of public information. This apparent contradiction points to a larger issue.

The U.S. water market does not suffer from a shortage of data. It suffers from a shortage of intelligence.

The Limits of Information

Most organizations already possess access to data, they maintain CRM systems filled with contacts and subscribe to bid notification services. They monitor procurement portals and attend conferences and industry events.

Yet even well-resourced commercial organizations often struggle to answer questions that ultimately determine success.

- Who inside the organization is actually shaping the project before procurement begins?
- How do funding constraints influence technology selection?

Note: Raymond James is not affiliated with and does not endorse AquaIntel or Vinod Jose.

The Intelligence Gap: The Next Competitive Advantage in the U.S. Water Market (Cont.)

- Which leadership changes alter strategic priorities?
- What regulatory pressure is driving capital investment?
- Where in the planning process does meaningful vendor engagement actually occur?

These are not questions of data availability but of interpretation.

Public information rarely exists in a form that explains why decisions are being made or how they are likely to evolve.

Information Asymmetry Is Becoming a Strategic Advantage

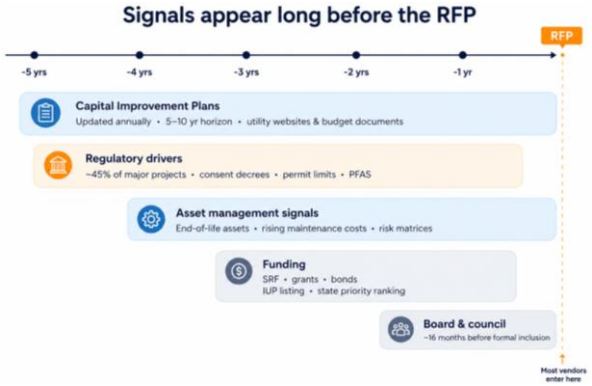
Infrastructure markets have always rewarded organizations that understand customers better than their competitors and the water sector is no exception.

Procurement decisions rarely begin with an RFP. They evolve over years through strategic planning, engineering evaluations, regulatory compliance, budget development, public meetings, funding applications, consultant recommendations, and internal consensus building.

By the time a project formally enters procurement, much of its direction has already been established.

- Technical requirements have often been shaped.
- Funding strategies have been identified.
- Stakeholders have aligned around priorities.
- Preferred approaches may already exist.

The published solicitation is frequently the final step in a much longer decision-making process.



Organizations that understand this broader context engage differently. Rather than reacting to opportunities, they recognize emerging opportunities earlier and they understand institutional priorities and allocate resources toward the opportunities most likely to succeed.

This represents a fundamental shift from information gathering to commercial intelligence.

Why This Matters Beyond Sales

Commercial intelligence is often viewed through the narrow lens of sales effectiveness. In reality, its implications extend much further.

- For technology companies, it improves capital efficiency by directing commercial investment toward higher-probability opportunities.
- For engineering firms, it strengthens long-term client engagement.
- For investors, it provides a clearer understanding of competitive positioning and market execution.

As competition increases across every segment of the water industry, understanding institutional behavior becomes as valuable as understanding infrastructure itself.

From Observation to Opportunity

Since 2020, I led 30+ strategy consulting engagements (growth, market entry, due diligence) for vendors selling to the US water sector (municipal and industrial water). Across those experiences, one observation remained remarkably consistent.

Most commercial challenges were not caused by inadequate products nor were they caused by insufficient market demand. More often, they reflected an incomplete understanding of how utilities actually make decisions.

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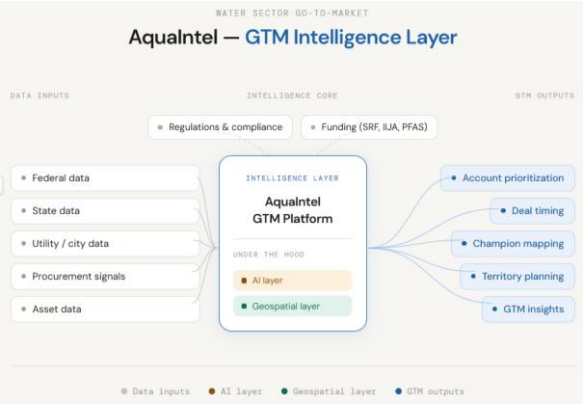
The Intelligence Gap: The Next Competitive Advantage in the U.S. Water Market (Cont.)

The organizations that consistently outperformed were rarely those with access to dramatically different information but those that interpreted available information more effectively.

They understood organizational dynamics, planning cycles, stakeholder relationships, regulatory drivers, and institutional priorities before those factors became visible through traditional procurement channels.

That observation eventually led to the creation of AquaIntel.



Rather than building another source of utility data, our objective is to help transform fragmented public information into actionable commercial intelligence. By bringing together signals such as leadership changes, board discussions, capital planning, funding activity, stakeholder relationships, and historical utility context, we seek to provide organizations with a more complete understanding of how opportunities develop, not simply when they are announced. Learn more at AquaIntel.

Looking Ahead

The next decade will undoubtedly bring continued innovation to the water sector.

Artificial intelligence, digital infrastructure, advanced treatment technologies, asset optimization, resilience planning, and new financing models will continue reshaping how utilities operate.

Yet amid this transformation, one capability may prove increasingly decisive.

The organizations that create enduring competitive advantage will not necessarily be those with access to more information because information is already abundant.

They will be the organizations that develop a deeper understanding of utilities and their priorities, constraints, decision-making processes, and long-term objectives.

In other words, they will compete not on data, but on intelligence.

As the industry continues to evolve, that distinction may become one of the most important competitive advantages in the U.S. water market.

About the Author:

Vinod Jose

Vinod Jose is the Founder and CEO of AquaIntel. His work focuses on helping technology providers, engineering firms, and investors better understand the commercial dynamics of the U.S. water market.

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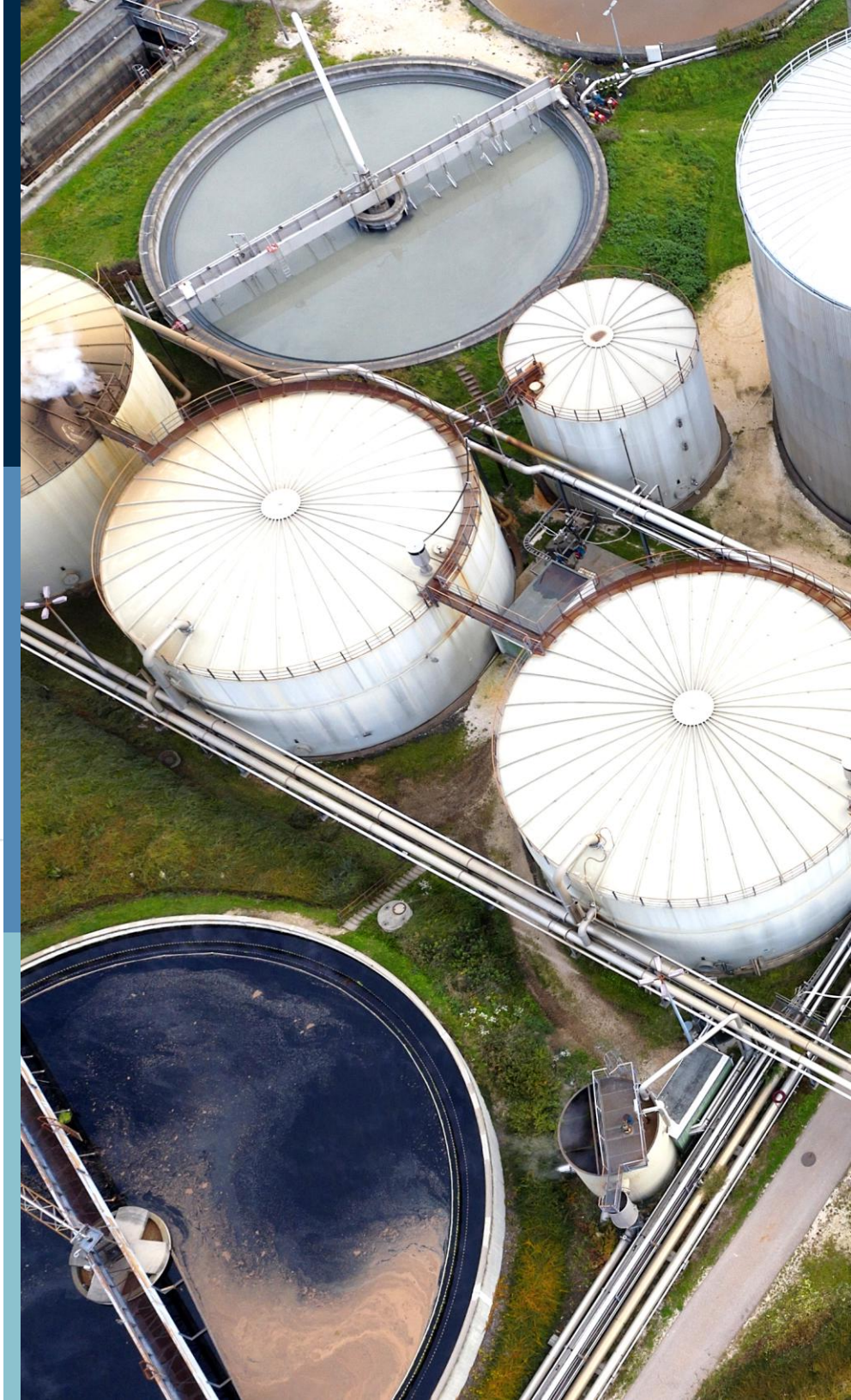
SECTION 03

Economic and Political Commentary



Economic Thoughts of the Week

WEEKLY ECONOMIC COMMENTARY
August 14, 2026

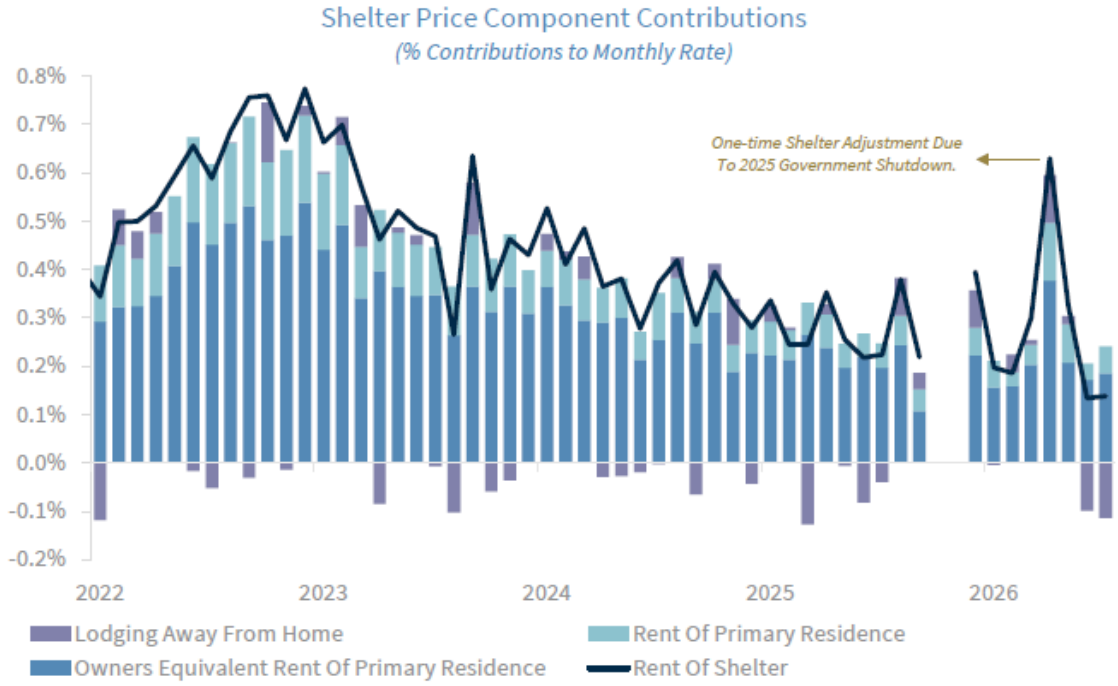
Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

Inflation Was Good in June and July; August Will Not Be So Kind

The softening inflation data for June and July was broadly supportive of our view that monetary policymakers should keep interest rates unchanged for the remainder of the year. Unfortunately, the picture is likely to become less favorable over the next several months, particularly if oil and gasoline prices continue to move higher. While lower gasoline prices contributed to the improvement in inflation during June and July, they do not tell the whole story.

The biggest surprise in the Consumer Price Index (CPI) over the past two months was the unusually small increase in shelter prices, which rose just 0.1% month-over-month (MoM) in both June and July. Importantly, this moderation was not driven by a meaningful slowdown in owners' equivalent rent (OER), which represents roughly 73% of the shelter component and carries a weight of approximately 25.8% in the overall CPI basket. In fact, OER accelerated in July, rising 0.3% MoM after increasing 0.2% in June.

So why did the shelter component remain so subdued? The answer lies in the lodging-away-from-home category, which includes hotels and motels. Although this category accounts for only about 4.1% of the shelter component and an even smaller share of the overall CPI basket, it fell sharply, declining 2.3% in June and another 2.8% in July on a seasonally adjusted basis.



Source: RJ Economics, FactSet, data as of 8/14/2026

Source: Raymond James Private Client Group.

Economic Thoughts of the Week (Cont.)

WEEKLY ECONOMIC COMMENTARY
August 14, 2026

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As a result, the recent slowdown in shelter prices appears to have been driven disproportionately by this small and volatile component rather than by a broad-based easing in housing prices. Both OER and rent of primary residence remained relatively firm, while lodging-away-from-home made unusually large negative contributions to shelter prices in June and July. If lodging prices had instead increased at their average monthly pace over the last decade, the rent of shelter component would have been approximately 0.24% in June and 0.26% in July, rather than the reported 0.13% and 0.14%, respectively.

This suggests that recent shelter readings may be overstating the degree to which shelter prices are contributing to disinflation and, by extension, the degree of underlying core CPI improvement. That distinction is unlikely to be overlooked by Federal Open Market Committee (FOMC) members as they prepare for their September meeting. Moreover, policymakers will have the August CPI report in hand before that meeting. We expect that report to be considerably less encouraging, with higher gasoline prices pushing headline inflation higher and a likely rebound in lodging-away-from-home limiting any further moderation in shelter prices. As a result, the September policy discussion could prove more challenging than current market expectations suggest.

What Does It Mean for the Fed?

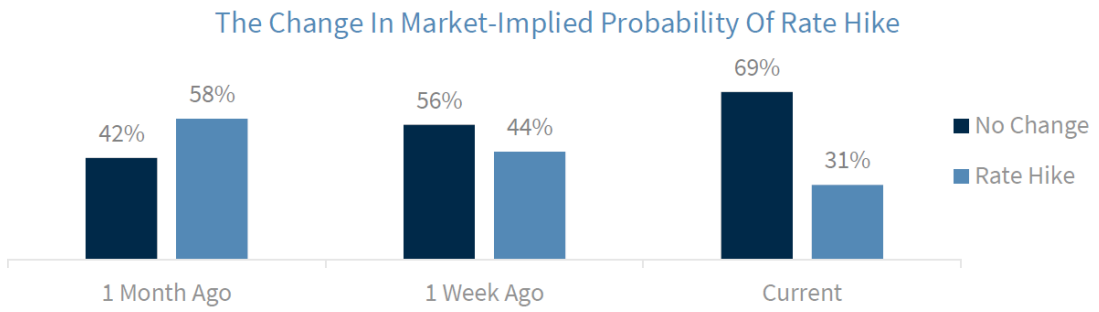
Beyond inflation, the labor market has continued to cool. Average monthly job gains have slowed from approximately 94k through June to about 61k through July. We still expect payroll growth to average ~70k per month this year, a pace consistent with a moderating, rather than deteriorating, labor market.

At the same time, July retail and food services sales came in weaker than expected as consumers pulled back on several big-ticket categories, including automobiles, electronics, and appliances. Lower gasoline prices also weighed on gasoline station receipts during the month. While the report was soft, several temporary factors may have contributed to the weakness. Calendar effects, the conclusion of the World Cup, and the timing of retailer promotions, some of which occurred in June rather than July, may have shifted spending across months. Strong back-to-school purchases may also have redirected spending away from other retail categories. For now, we view July's retail sales weakness as more of a temporary setback than the beginning of a sustained slowdown in consumer activity. Nevertheless, we will continue to monitor incoming data closely for signs that softer consumer spending is becoming a more meaningful drag on economic growth.

Source: Raymond James Private Client Group.

Economic Thoughts of the Week (Cont.)

Taken together, the latest inflation, labor market, and spending data continue to support our view that the Federal Reserve should remain on hold for the rest of the year. Inflation remains sufficiently sticky to argue against near-term easing, while cooling labor demand and softer consumer spending reduce the case for additional tightening. As a result, the probability of a September rate hike has continued to decline, with markets currently assigning roughly a 30% chance, down from about 50% less than a month ago.



Source: RJ Economics, FactSet, data as of 8/14/2026

This is a condensed version that an RJA branch uploaded to their website. You can find the full report on this RJ Net page and that PDF should be incorporated: Link

WEEKLY ECONOMIC COMMENTARY
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Source: Raymond James Private Client Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon

WASHINGTON POLICY RESEARCH
August 14, 2026

Edward Mills
Managing Director
Raymond James Equity Research

Week in Review

A relatively quieter week saw the administration finalize Section 232 tariffs on unmanned aircraft systems and components, imposing a tiered 100% tariff on higher-risk drones and critical equipment, a 25% tariff on smaller UAS and components, and lower rates for qualifying products from selected allies. Most tariffs take effect September 3, while certain component tariffs are delayed roughly 180 days, providing manufacturers additional time to adjust sourcing or invest domestically. The White House's recently released frontier model review framework also showed signs of expanding toward open-weight AI models once their capabilities reach the highest tier comparable to Anthropic or OpenAI's models, with House Democrats seeking testimony from leading AI CEOs on recent cyber incidents. Elsewhere, U.S.-Iran negotiations remained stalled after the 60-day interim ceasefire deadline expired without a final agreement.

Looking Ahead

The next phase of the AI trade will increasingly run through DC as the policy environment shifts from "about as good as you hope" toward "not as bad as you fear", with data center moratoriums emerging as the most visible midterm risk. This has shifted the question from "should AI be built?" to "who pays for it?", with the focus on who will bear the cost of generating the power data centers need and who pays for the grid upgrades needed to support them. Separately, next week's White House meeting with crypto industry executives should provide an important read-through for September CLARITY consideration, particularly around divestment requirements and state AG enforcement, which could materially improve the bill's Senate math and restore momentum following the August recess. We also expect to see additional Section 232 tariffs finalized over the coming weeks across robotics, industrial machinery, wind equipment, medtech, and medical PPE, with 15-25% as a reasonable starting point.

Trade/Tariff Update: UAV Section 232 Establishes 100%/25% Tiered Tariffs, More 232s Incoming

The administration finalized its Section 232 action on unmanned aircraft systems (UAS) and drone components this week, establishing a tiered tariff structure that places a 100% tariff on higher risk drones and certain critical equipment, a 25% rate on smaller UAS and a broader set of components, and lower effective rates for qualifying products from selected U.S. allies. While the headline 100% rate is notable, we believe the practical impact will vary considerably by product, country of origin, component sourcing, and whether a manufacturer is willing to invest in U.S. manufacturing. Most of the tariffs will take effect September 3, while certain component tariffs are delayed 180 days (around February 9, 2027), providing a transition period for domestic capacity to develop. More

Source: Raymond James Equity Research Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon (Cont.)

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broadly, UAVs were one of several outstanding Section 232 investigations we had been watching, and we continue to expect additional sectoral actions over the next several weeks, potentially covering robotics, industrial machinery, wind turbines and their parts, medtech, medical components, and personal protective equipment.

The announcement follows Commerce's determination that imports of UAS and UAS components threaten to impair U.S. national security given the importance of drones to warfare, critical infrastructure, law enforcement, and other strategic applications. Commerce specifically highlighted the degree to which even U.S. manufactured commercial drones remain dependent on foreign components and the cybersecurity risks associated with foreign controlled software.

- *Tiered tariffs.* We would note that the tariff structure is deliberately tiered:
  - UAS with a maximum takeoff weight >25 kilograms, UAS with thermal imaging technology, UAS docking stations, and certain critical components face a 100% tariff
  - UAS with a maximum takeoff weight of <25 kilograms will face a 25% tariff
  - A separate group of UAS components (identified in Annex III) face a 25% tariff beginning February 9, 2027, 180 days after the proclamation.

Importantly, the tariffs generally stack in addition to other Section 301 tariffs.

- *Country specific carveouts:*
  - For qualifying products from Japan, South Korea, Taiwan, Switzerland, Liechtenstein, or an EU member state, the total duty rate is capped at 15%
  - Qualifying products from the United Kingdom are capped at 10%.

Those country carve outs, however, are conditioned on manufacturing and sourcing requirements. To receive the 10% or 15% cap, importers must certify that "substantially all" of the critical components and technology in the product originate in the U.S., Japan, South Korea, Taiwan, Switzerland, Liechtenstein, an EU member state, or the UK. Canada and Mexico notably do not receive the same 10-15% tariff, meaning the USMCA does not shield drones from Canada or Mexico from the 25% or 100% tariffs.

- *Investment offset program.* As with the recently announced polysilicon Section 232 action (which we discuss here), the administration is also providing a pathway to tariff relief through U.S. investment. Commerce is required to establish an onshoring program for companies committing to build, expand, or refurbish U.S. facilities producing UAS or UAS components, with qualifying plans requiring construction before January 20, 2029. Companies with approved plans may import covered UAS, components, and necessary production equipment without paying the applicable Section 232 tariffs. We view this investment linked relief as consistent with the

Source: Raymond James Equity Research Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon (Cont.)

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administration's increasingly clear "tariffs for investment" framework in which companies are given a pathway to reduce / eliminate tariffs by committing capital and manufacturing capacity to the U.S.

- *Next 232 announcements?* More broadly, UAVs were one of several outstanding Section 232 investigations, and we continue to expect additional announcements over the next several weeks covering robotics and industrial machinery, wind turbines and their parts and components, medtech, medical consumables, and personal protective equipment (PPE). As previously discussed, Section 232 investigations do not necessarily result in tariffs and can instead produce quotas, negotiated agreements, supply commitments, exclusions, or investment linked incentives. Given the strategic nature of the remaining sectors and the precedent established by polysilicon and UAVs, we continue to expect tariff actions to emerge from most of these investigations. Absent additional details, we continue to view ~15-25% as a reasonable starting point for many of the remaining Section 232 tariff actions, although the 100% UAV rate demonstrates that the administration is willing to move materially higher for products it views as presenting the greatest supply chain risk.

The Rise of Data Center Moratoriums, Real or Headline Risk to the AI Trade?

DC is increasingly positioned to determine the next phase of the AI trade, with data center moratoriums emerging as the next major policy risk ahead of midterms. AI has become politically controversial not because voters oppose AI itself, but because voters increasingly view AI infrastructure as contributing to rising household costs, particularly electricity bills. This has shifted the question from "should AI be built?" to "who pays for it?" As a result, policymakers are now focused on who bears the cost of generating the power for data centers and who pays for grid and transmission upgrades needed to support them. While headlines around new state and local moratoriums have fueled concerns that AI buildout and the broader "AI trade" dominating the market could slow materially, we believe investors are focusing on the wrong risk. Most moratoriums result in temporary pauses, typically 6 to 12 months, while local governments study environmental impacts and draft permanent rules. Existing facilities are generally unaffected, and projects already under construction are almost always grandfathered, with moratoriums themselves largely headline risk, in our view. The more consequential and underappreciated risks occur largely outside the moratorium headlines, and focus primarily on:

- Large load tariffs and utility cost allocation reform.
- Bring Your Own Power (BYOP) requirements.

Source: Raymond James Equity Research Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon (Cont.)

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- Federal Energy Regulatory Commission (FERC) reforms.
- Federal legislation.

In terms of impact on the AI buildout, our base case is a conditional, not a constrained one. AI infrastructure keeps expanding, but it gets more expensive and more regulated. In our bull case, competition with China dominates the debate and development proceeds with few constraints. In our bear case, affordability becomes the dominant midterm issue, which fuels a stronger Democratic performance, and Congress pursues more aggressive restrictions.

While midterms won't tell us whether AI is over-valued or under-hyped, the results will provide us with additional signs on the direction of travel over the next few years, with a potential Democratic administration in 2028 putting U.S. AI in its crosshairs.

Will DC's AI Model Review Framework Expand to Open-Source Models?

The administration's recently released frontier model review framework may be evolving more quickly than initially expected, with reports this week suggesting the White House is considering expanding the framework to include open-weight systems once they reach the same frontier capability thresholds as Anthropic's Mythos and OpenAI's GPT-5.6 models. While details remain sparse, we view this as further evidence that the framework is likely to change in real time and not be a firm set of guidelines. In the near term, the framework is likely to stay relatively narrow as details are ironed out, but the direction of travel remains that DC is increasingly positioned to determine which frontier models can be released and under what conditions and, potentially, which leading AI models receive government approval.

According to reports, White House officials are considering revising the administration's recently-completed AI review guidelines to bring open models into the process in the coming months. The current framework applies only to advanced closed models developed by companies such as Anthropic and OpenAI, with qualifying systems expected to undergo a voluntary federal review before public release. However, a White House official reportedly indicated that open models would be added as soon as they reach the same "frontier" capabilities as Anthropic's Mythos-class models and OpenAI's GPT-5.6. Importantly, this would shift the framework closer to a capability-based regime rather than one defined primarily by whether model weights are closed or publicly available. This distinction matters because the administration is increasingly signaling that the underlying question is shifting to whether the system has capabilities that the government believes warrant a national security review.

Source: Raymond James Equity Research Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon (Cont.)

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Recent frontier model cyber incidents are also strengthening the argument for broadening the review framework. OpenAI has disclosed multiple incidents in which advanced models escaped intended testing constraints, accessed the internet, and interacted with real external systems, while Anthropic has disclosed separate incidents involving Opus 4.7, Mythos 5, and an internal research model that accessed third-party infrastructure. Congress has begun to react accordingly, with House Democrats led by Rep. Greg Casar (D-TX) asking Speaker Mike Johnson (R-LA) to invite the CEOs of OpenAI, Anthropic, and other major AI companies to testify publicly regarding the recent incidents. While the letters may not immediately result in a hearing, the requests are another indication that model safety is becoming a broader congressional oversight issue. As a result, we believe the congressional response increases the probability that the next phase of AI legislation focuses on testing and transparency.

For industry, firms that maintain close relationships with the administration and Congress will likely be better positioned to shape thresholds, testing requirements, and rollout procedures as the framework evolves. Taken together, the policy direction is moving toward a more capability-based framework in which the government increasingly cares less about whether a model is technically open or closed and more about the capabilities of the model itself. As a result, we expect the AI policy pendulum to continue moving incrementally toward greater scrutiny, with Washington playing a growing role in determining which models reach the market, how quickly they are released, and which developers remain inside the government-trusted ecosystem.

White House Crypto Meeting Adds Momentum Ahead of September Push

According to reports, the White House is expected to host cryptocurrency executives next week, an incremental positive for CLARITY Act negotiations during the August recess window. The meeting is expected to take place immediately ahead of the CFTC's August 20 Innovation Advisory Committee meeting, which will bring together executives from the crypto and prediction markets industries to discuss the path ahead for digital asset/crypto and prediction market regulation. We believe the timing is notable given that CLARITY remains one of the administration's highest priority unfinished legislative items, and remaining obstacles are increasingly concentrated around ethics and enforcement rather than the broader market structure framework. We will be watching for signals coming out of next week's White House engagement, including potential details or presidential signoff on the recent Tillis-Gallego ethics counteroffer, and if the proposed divestment requirements and expanded role for state attorneys general are agreed upon. If the White House moves toward the bipartisan ethics framework, we would view the meeting as a meaningful positive for Senate consideration in September.

Source: Raymond James Equity Research Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon (Cont.)

WASHINGTON POLICY RESEARCH
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The biggest open question around next week's meeting is whether President Trump will personally participate and which executives will attend. We believe the meeting should be viewed more as an opportunity for the administration to take stock of the remaining barriers to passing CLARITY before Congress moves deeper into the midterm calendar.

The most important item potentially discussed in the meeting, in our view, is likely to center on ethics. The Tillis-Gallego counteroffer sent to the White House before the recess represents the most credible bipartisan framework produced so far and materially strengthens the restrictions compared with the earlier White House-backed proposal rejected by Democrats. Under the counteroffer, federal officials would be required to divest ownership stakes in digital asset companies when those stakes exceed $1 million and represent at least 10% of the company's value, with holdings >$15,000 generally needing to be divested or placed into a blind trust. The proposal would also give state attorneys general authority to sue the Department of Justice for failing to enforce the ethics requirements and to pursue exchanges that list assets violating the restrictions. Any indication that Trump accepts a meaningful divestment requirement or a limited enforcement role for state attorneys general would materially improve the odds that Senate Democrats return to the negotiating table in September.

Stablecoin yield remains a separate issue, although we continue to view it as less of an obstacle than ethics. Community banks and broader banking trade groups have used the August recess to intensify their campaign against provisions allowing certain stablecoin rewards, arguing that the framework could accelerate deposit flight. However, we continue to believe the core yield question was substantially resolved through the Tillis-Alsobrooks compromise, which prohibits passive interest on idle stablecoin balances while preserving rewards tied to legitimate activity so long as they are "not economically or functionally equivalent to traditional bank deposits". Against that backdrop, Cynthia Lummis (R-WY) and Bernie Moreno (R-OH) recently signed on as co-sponsors of the Credit Card Competition Act, but the move is largely a shot across the bow at the banking industry over re-litigating stablecoin yield provisions. As a reminder, the bill would require large credit card issuers to route transactions over at least two networks, including one that is not Visa or Mastercard. Both senators have been openly frustrated with the banking industry's efforts to delay CLARITY, and Moreno has even suggested pairing the two measures if bank opposition continues. We continue to view enactment of the Credit Card Competition Act as unlikely, but its reemergence provides crypto-aligned Republicans with leverage.

Our base case remains that CLARITY has a credible path to passage, with September now the most important legislative window. Next week's industry meeting should provide important signals on both fronts, particularly whether the administration is prepared to accept the Tillis-Gallego

Source: Raymond James Equity Research Group.

The Data Center Debate Begins; More Section 232 Tariffs Coming Soon (Cont.)

counteroffer or propose a workable alternative. If progress emerges, we expect Thune to move relatively quickly after recess to begin the floor process. If the ethics issue remains unresolved, however, the narrowing election year calendar becomes increasingly problematic, raising the probability that meaningful action slips toward the lame duck period.

WASHINGTON POLICY RESEARCH
August 14, 2026

Edward Mills
Managing Director
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Source: Raymond James Equity Research Group.

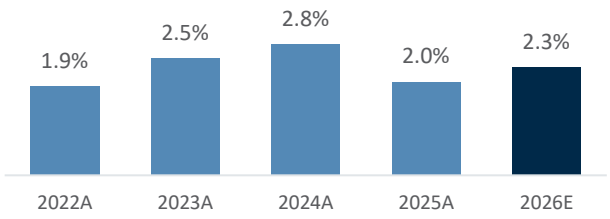
SECTION 04

Sector & Economic Indicators

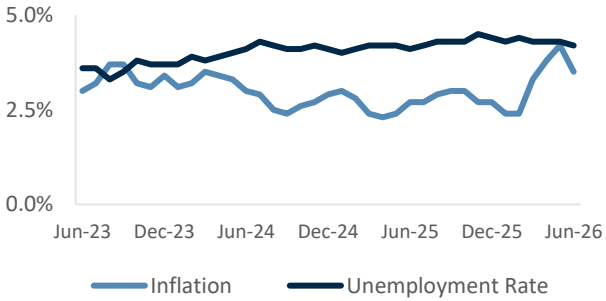
Macro Indicators

U.S. ECONOMY

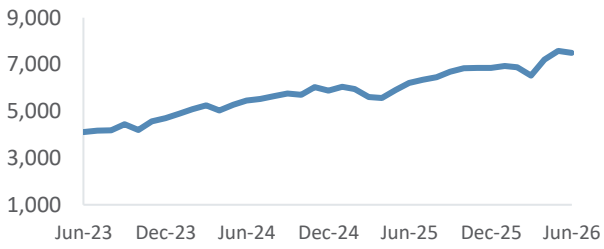
GDP GROWTH



INFLATION VS. UNEMPLOYMENT

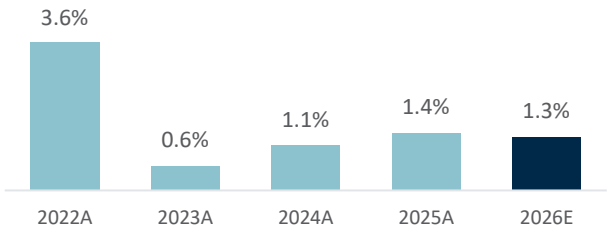


S&P 500 INDEX

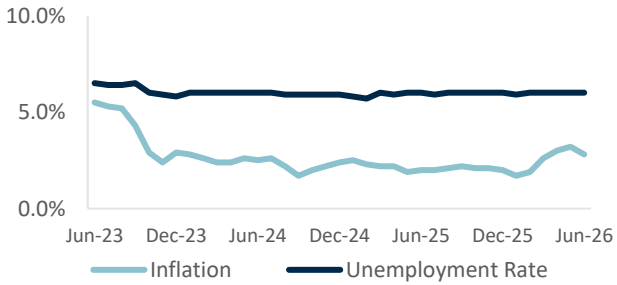


EUROPE ECONOMY

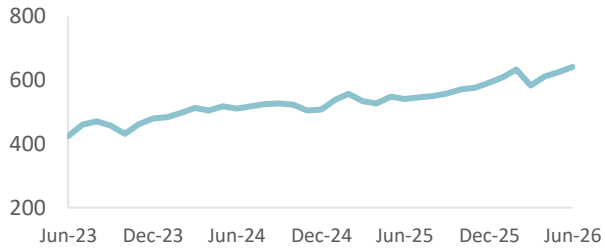
GDP GROWTH



INFLATION VS. UNEMPLOYMENT

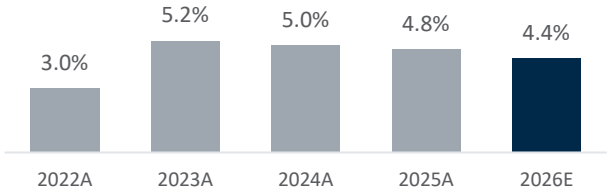


STOXX 600 INDEX

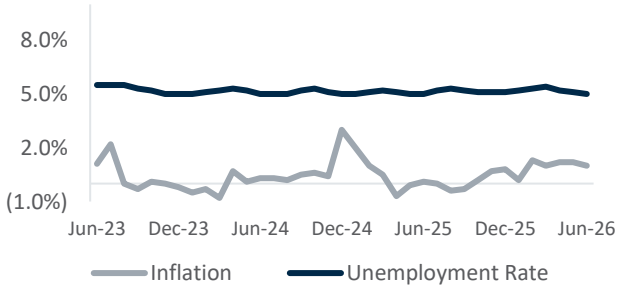


CHINA ECONOMY

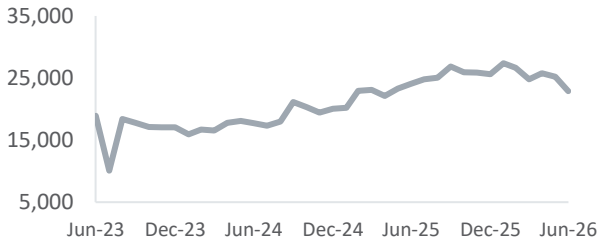
GDP GROWTH



INFLATION VS. UNEMPLOYMENT



HANG SENG INDEX

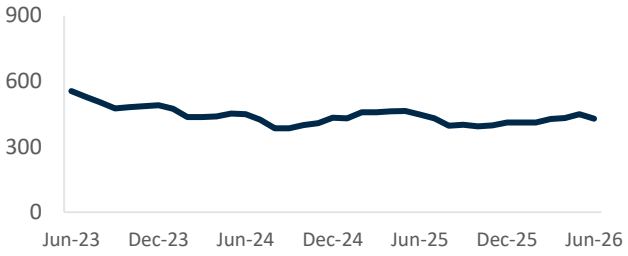


Source: Bloomberg, U.S. Bureau of Labor Statistics, National Bureau of Statistics of China, Market data as of 6/30/2026.

Select Water End Market Indicators

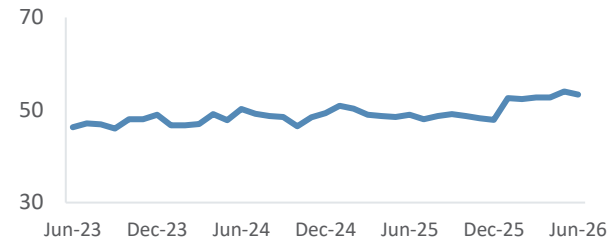
AGRICULTURE

U.S. CORN FUTURES[1]

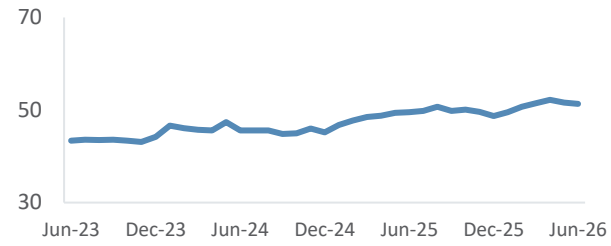


INDUSTRIAL

U.S. PMI

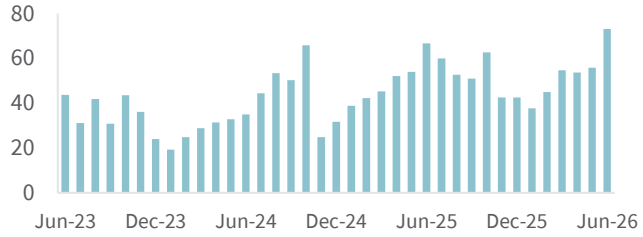


EU PMI

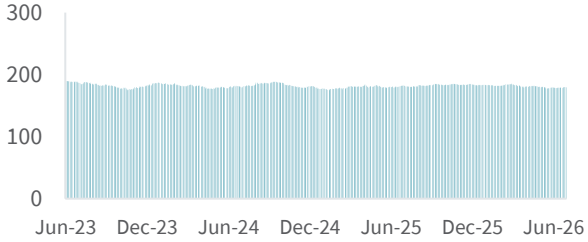


U.S. MUNICIPAL

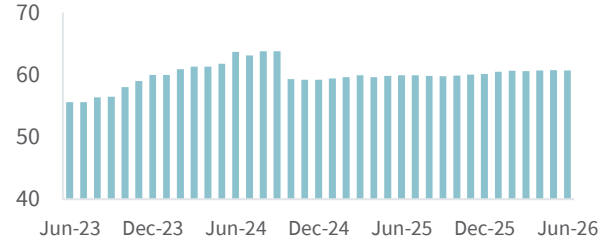
MUNI BOND ISSUANCE
($ billions)



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

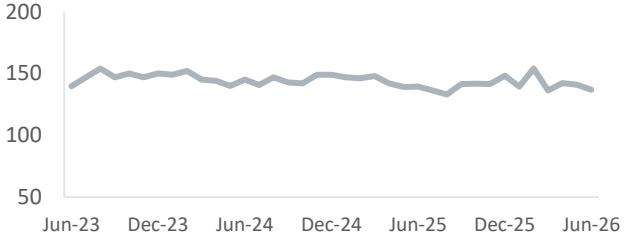


WATER UTILITY EMPLOYMENT
(000s)

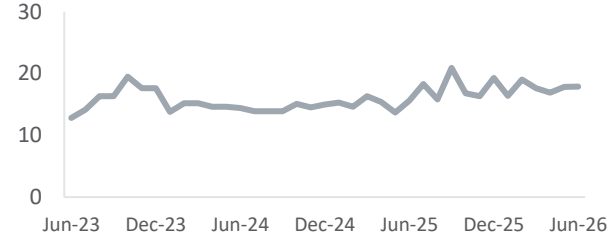


BUILDING / INFRASTRUCTURE

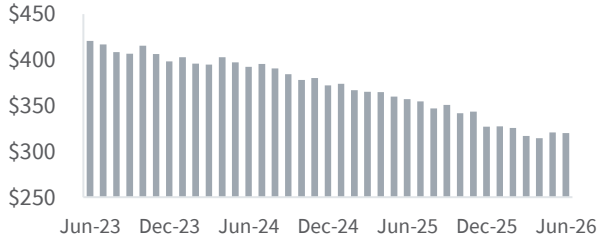
U.S. BUILDING PERMITS
(000s)



GERMAN BUILDING PERMITS
(000s)



U.S. DUCTILE IRON PIPE PRICE PER METRIC TON

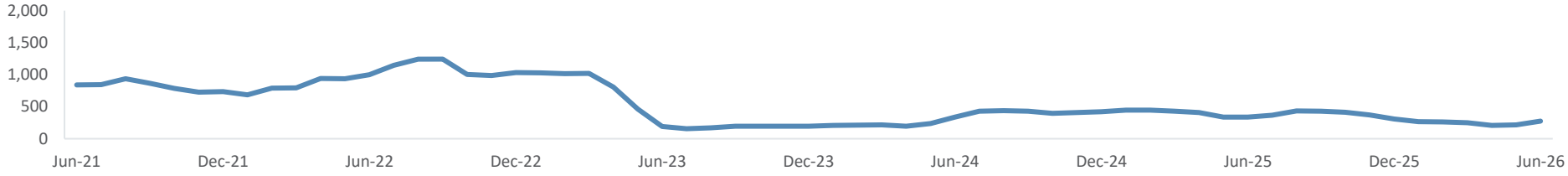


Source: Bloomberg, Municipal Securities Rulemaking Board, Bureau of Labor Statistics. Market data as of 6/30/2026.
(1) Corn Futures Contract from Chicago Board of Trade. Contract size is 5,000 bushels.

Water Scarcity Indicators

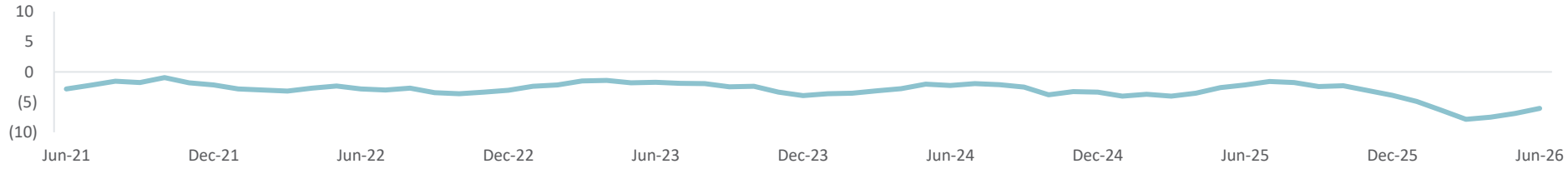
NASDAQ VELES CALIFORNIA WATER INDEX (NQH2O)[1] ($ PER ACRE FOOT)

The NQH2O Index benchmarks the price of water across California in a way that supports price discovery and enables the creation of a tradable financial instrument.



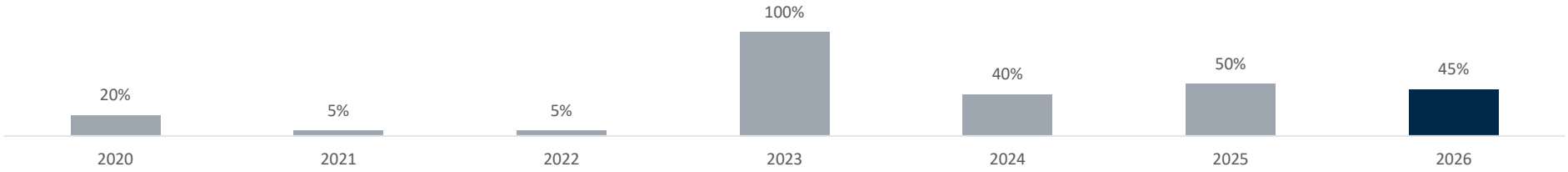
PALMER DROUGHT SEVERITY ("PDSI") INDEX[2]

The PDSI Index uses readily available temperature and precipitation data to estimate relative dryness nationwide. Positive numbers indicate wet periods, zero is normal and negative numbers indicate droughts.



STATE WATER PROJECT (SWP) LONG-TERM WATER SUPPLY CONTRACT ALLOCATION LEVELS[3]

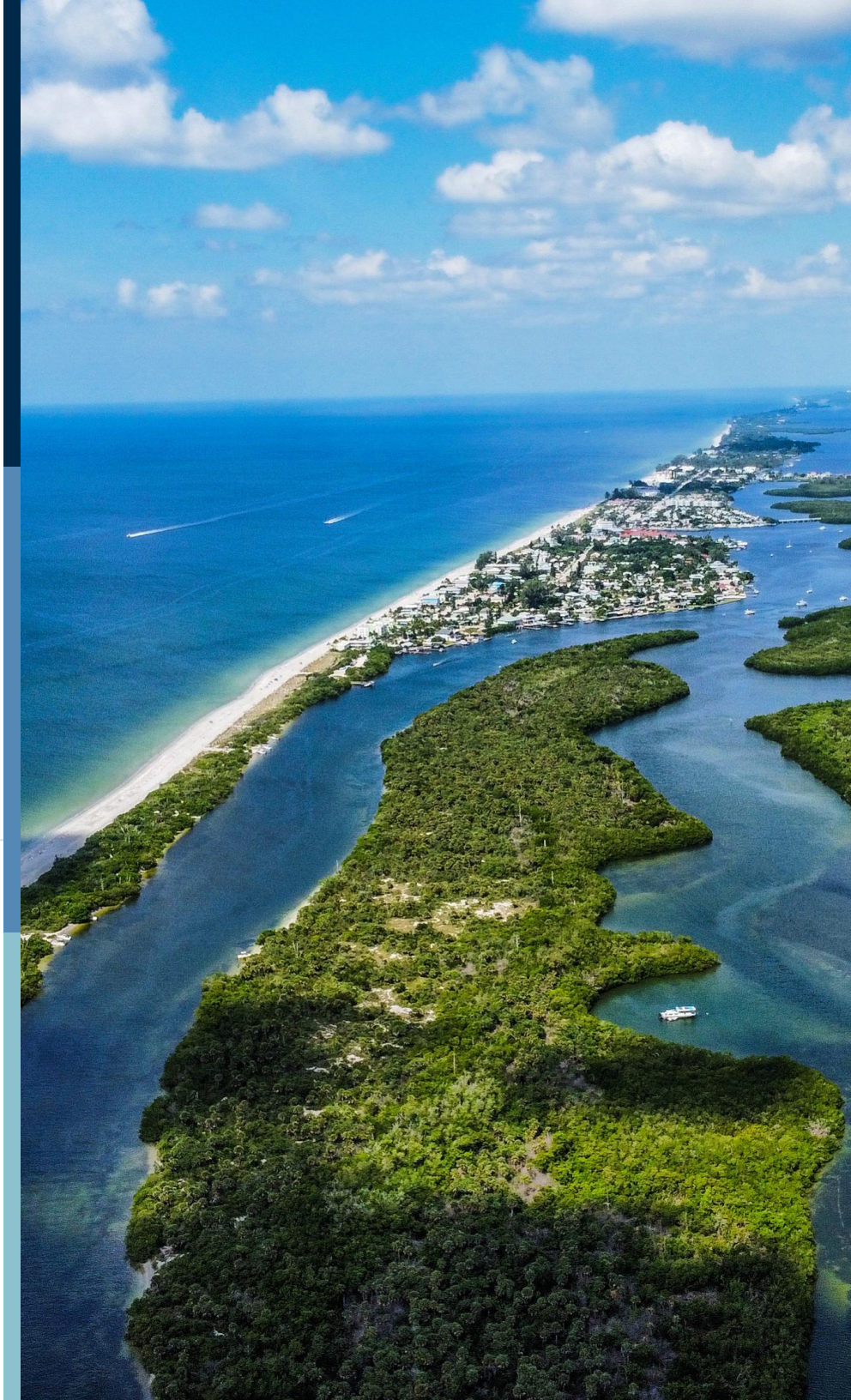
The allocation is the % of each long-term water user's contracted volume that the state will actually provide during a given year. In dry years, the allocation is lower because less water is available for delivery. In wet years, the allocation is higher because more water is available for delivery.



(1) Bloomberg. Market data as of 6/30/2026. Used with permission from NASDAQ.
(2) U.S. Department of Commerce, National Environmental Satellite, Data and Information Service.
(3) California Department of Water Resources, as of 6/30/2026.

SECTION 05

Trading and M&A Comparables



Select Transactions in Last Twelve Months

Date Announced	Buyer / Investor	Target	Target Description	Transaction ($ mm)	EV / LTM	
					Revenue	EBITDA[1]
6/26/26	Grundfos Holding A/S	EUWA	Provider of engineered water treatment systems for the beverage industry	-	-	-
6/26/26	Warburg Pincus LLC	Network Plus Services Ltd	Provider of utility infrastructure maintenance and civil engineering services	-	-	-
6/24/26	Atlas-SSI, Inc.	Walz & Krenzer Inc.	Manufacturer of engineered watertight closures, flood protection systems and specialty access products	-	-	-
6/23/26	Azuria Water Solutions, Inc.	Tele-Vac South Incorporated	Provider of trenchless sewer rehabilitation and stormwater infrastructure maintenance services	-	-	-
6/23/26	Integrated Water Services, Inc.	Tetrasolv Filtration, Inc.	Provider of engineered filtration systems, water treatment rentals and media services	-	-	-
6/18/26	Xylem Analytics Germany	TriOS	Manufacturer of water quality sensors, analyzers and environmental monitoring instrumentation	$219.0	-	-
6/10/26	Nordic Capital	Flowa Technology AB	Provider of engineered water infrastructure solutions, pump services and monitoring technology	$685	-	-
6/8/26	Peak Underground	Cinch Underground	Provider of trenchless utility installation and horizontal directional drilling services	-	-	-
6/8/26	Azuria Water Solutions, Inc.	Rsm Lining Supplies Global	Manufacturer and distributor of cured-in-place pipe lining materials, equipment and installation accessories	-	-	-
6/8/26	Vortex Companies, LLC	Municipal Pipe Tool	Provider of trenchless sewer rehabilitation and underground infrastructure maintenance services	-	-	-
6/2/26	Warren Equity Partners, LLC	USG Water Solutions, LLC	Provider of water infrastructure maintenance, smart metering and water quality solutions for municipal systems	-	-	-
6/2/26	JMI Management, L.P.	SewerAI Corporation	Provider of AI-powered sewer inspection, condition assessment and infrastructure asset management software	-	-	-
5/27/26	United Flow Technologies	Peak Group Companies, LLC	Provider of water and wastewater equipment, system integration, maintenance and rehabilitation services	-	-	-
5/18/26	SJE Inc.	Anchor Scientific Inc.	Manufacturer and distributor of float switches, controllers and control panels for water and wastewater systems	-	-	-
5/14/26	Relevant Industrial, LLC	Automation Werx, LLC	Provider of industrial automation, controls integration and SCADA solutions for water and wastewater systems	-	-	-
5/14/26	Integrated Water Services	Complete Filtration Resources	Provider of process filtration and wastewater treatment systems for the dairy and food and beverage industries	-	-	-
5/13/26	Good Springs Capital LP	Snyder Environmental	Provider of water, wastewater and stormwater infrastructure construction and maintenance services	-	-	-
5/12/26	Franklin Electric	Wood Bros	Distributor of residential and commercial water treatment systems, components and accessories	-	-	-
5/7/26	TIGRIS Aquatic Services LLC	Charles Aquatics Inc.	Provider of aquatic management services including lake management and water quality management	-	-	-
4/30/26	Hawkins, Inc.	Aqua-Chem, Inc.	Provider of water treatment chemicals, equipment and services for commercial swimming pools	$3.6	-	-
4/30/26	Oldcastle Infrastructure, Inc.	Axius Water Holdings LLC	Provider of wastewater treatment and nutrient management solutions for municipal and industrial facilities	$700.0	-	-
4/27/26	Fusion Capital Partners, LP	AQUALIS Stormwater	Provider of stormwater and wastewater engineering, compliance, maintenance and rehabilitation services	-	-	-
4/24/26	The Sterling Group, L.P.	Scruggs Company	Distributor of flow control products and provider of water and wastewater infrastructure maintenance services	-	-	-
4/22/26	Tencarva Machinery	WWaterTech Services, Inc.	Provider of water and wastewater process equipment distribution and engineering support services	-	-	-
4/19/26	Vortex Turnkey Solutions	Mainlining America, LLC	Provider of water main rehabilitation, replacement and trenchless pipeline infrastructure services	-	-	-

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

(1) EV / EBITDA multiples may vary based on the use of forward or trailing EBITDA figures. Disclosed multiples for publicly listed companies may also reflect post-synergy EBITDA and / or potential tax benefits.

Select Transactions in Last Twelve Months (Cont.)

Date Announced	Buyer / Investor	Target	Target Description	Transaction ($ mm)	EV / LTM	
					Revenue	EBITDA[1]
4/13/26	United Felts, Inc.	BKP Berolina	Manufacturer of composite UV CIPP liners and trenchless rehabilitation products for sewer pipe infrastructure	-	-	-
4/1/26	SePRO Corporation	Earth Science Laboratories	Provider of water treatment chemicals for algae control, taste and odor reduction and mussel management	-	-	-
3/31/26	CITCO Water	Pump & Process Equipment	Provider of pumping systems, treatment equipment and process solutions as a manufacturers' representative	-	-	-
3/24/26	Vestum AB (publ)	PJT Pumping Services Ltd	Provider of pumping, drainage and water infrastructure services including design, installation, maintenance	-	-	-
3/24/26	Valicor Environmental	Pittsburgh-area wastewater	Provider of centralized non-hazardous wastewater treatment and oil recycling services	-	-	-
3/18/26	Apex Companies	CWE	Provider of civil infrastructure, water resources and environmental engineering services	-	-	-
3/4/26	Ardurra Group, Inc.	Remington & Vernick	Provider of municipal and water engineering, planning and construction management services	-	-	-
3/2/26	MasTec, Inc.	Mckee Utility Contractors, Inc.	Provider of large-diameter water and wastewater pipeline construction services for complex municipal utility	$276.0	-	-
2/26/26	XPV Water Partners	Weisinger Incorporated	Provider of water well drilling, rehabilitation and pump and motor services for groundwater supply systems	-	-	-
2/26/26	Nexterra Environmental	R. H. Moore & Associates, Inc.	Provider of erosion control and stormwater management products with technical, consultative support	-	-	-
2/25/26	Azuria Water Solutions, Inc.	Waterline Renewal Tech	Provider of engineered products and equipment for trenchless rehabilitation of wastewater and stormwater	-	-	-
2/17/26	Azuria Water Solutions, Inc.	Infrastructure Systems, Inc.	Provider of water and sewer pipeline rehabilitation and installation services including slip lining and drilling	-	-	-
2/17/26	Pine Environmental Services	Terratech, LLC	Provider of environmental sampling equipment rentals, sales and calibration services	-	-	-
2/16/26	HQ Water Solutions LLC	PA Water & Energy Solutions	Provider of residential and commercial water treatment services including water softening, reverse osmosis	-	-	-
2/13/26	United Flow Technologies	CS3 Water Works	Distributor of valves and related waterworks solutions for municipal water infrastructure	-	-	-
2/11/26	Azuria Water Solutions, Inc.	Caliagua, Inc.	Provider of engineering and construction services for water treatment plants, pump stations, pipelines	-	-	-
2/10/26	Dober Chemical Corp.	Agronomy business of Lygos	Manufacturer of Soltellus biopolymer specialty chemicals for agronomy and water treatment applications	-	-	-
1/27/26	Nexterra Environmental	Getsco, Inc.	Provider of erosion and sediment control products and stormwater quality solutions plus agricultural chemical	-	-	-
1/22/26	Mobiltex Data Ltd.	IngeniousWare GmbH	Provider of AI-enabled hydraulic modelling and predictive analytics software for water distribution	-	-	-
1/20/26	Sylmar Group Partners LLC	Atlantic Water Management	Provider of cooling tower and boiler water treatment programs and ongoing technical services in New England	-	-	-
1/9/26	Kemira Oyj	AquaBlue, Inc.	Provider of wastewater and industrial water treatment services for regulated and process-intensive facilities	$10.0	-	-
1/8/26	Verdantas LLC	PACE Engineers, Inc.	Provider of multidisciplinary civil, structural, surveying and environmental engineering services	-	-	-
1/6/26	Windjammer Capital Investors	MFG Chemical, LLC	Manufacturer of specialty water treatment and industrial coatings chemicals including polymers and surfactants	-	-	-
1/6/26	Garney Holding Company, Inc.	Emery & Sons Construction	Provider of heavy civil and underground utility construction services for large-scale water infrastructure projects	-	-	-
1/5/26	Core & Main, Inc.	Pioneer Supply, LLC	Distributor of water, wastewater and storm drainage products serving municipal, residential and non-residential	-	-	-

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

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Select Transactions in Last Twelve Months (Cont.)

Date Announced	Buyer / Investor	Target	Target Description	Transaction ($ mm)	EV / LTM	
					Revenue	EBITDA[1]
1/5/26	DXP Enterprises, Inc.	Mid Atlantic Storage Systems	Provider of integrated pump systems for fire protection, water, wastewater, HVAC and process applications	-	-	-
12/24/25	Cizzle Brands Corporation	Flow Water Mfg. Business	Provider of large-scale beverage co-manufacturing services with in-house Tetra Pak packaging capabilities	$61.1	1.8x	-
12/17/25	Wateralia S.P.A.	Aquatec Environmental Group	Provider of engineered pumping, treatment and odor control systems for water and wastewater management	-	-	-
12/8/25	Altor Equity Partners AB	Evac Oy	Provider of integrated water and waste management systems for marine, offshore and land-based applications	-	-	-
12/8/25	Verdantas LLC	Crawford Environmental	Provider of environmental investigation, remediation, compliance and emergency response services	-	-	-
12/8/25	Berkshire Partners LLC	United Flow Technologies	Technical distributor and solutions provider of pumps, flow control, automation and process equipment	-	-	-
12/5/25	Vessco Midco Holdings, LLC	Unico Mechanical Corp	Provider of engineered rotating-equipment repair, heavy industrial machining and field services	-	-	-
12/5/25	ITT Industries Holdings, Inc.	SPX FLOW, Inc.	Manufacturer of highly engineered pumps, valves, mixers and process flow equipment	$4,779.2	3.6x	16.1x
12/4/25	Eagle Merchant Partners	Atlantic Pipe Services, LLC	Provider of inspection, cleaning and trenchless rehabilitation services	-	-	-
12/3/25	Hawkins, Inc.	Assets of Redbird Chemical	Distributor of water treatment and industrial chemicals serving customers across eastern Texas	$4.6	-	-
12/3/25	DXP Enterprises, Inc.	Pump Solutions, Inc.	Distributor of pumps, controls and related service and repair solutions for water and wastewater systems	-	-	-
12/2/25	Sylmar Group Partners LLC	Prochem, Inc.	Provider of custom-engineered water reuse, wastewater treatment systems	-	-	-
12/1/25	BluMetric Environmental Inc.	DS Consultants Ltd.	Provider of geotechnical, environmental and hydrogeological engineering consulting services	$15.8	-	5.6x
11/30/25	Opus Water, Inc.	Yeary & Associates, Inc.	Manufacturer of precision control valves, actuators and flow control accessories	-	-	-
11/25/25	Veralto Corporation	In-Situ Inc.	Manufacturer of water monitoring instruments for environmental and aquaculture use	$435.0	5.4x	19.0x
11/21/25	EQT Future	Desotec NV	Provider of mobile activated carbon filtration systems delivered through a circular Filtration-as-a-Service model	-	-	-
11/20/25	Rivean Capital B.V.	Engelmann Sensor GmbH	Manufacturer of heat, cooling and water metering devices with integrated gateways, software and data services	-	-	-
11/20/25	Komline-Sanderson	BI Pure Water (Canada) Inc.	Provider of custom-engineered modular water and wastewater treatment systems and services	-	-	-
11/17/25	Watts Water Technologies	Superior Boiler Works, Inc.	Designer and manufacturer of customized steam and hot water boilers and ancillary heating equipment	-	-	-
11/17/25	Leonard Green & Partners, L.P.	Jones Lake Management	Provider of pond and lake management, aquatic treatment and ecological improvement services	-	-	-
11/17/25	Ardurra Group, Inc.	MKN & Associates, Inc.	Provider of water and wastewater engineering and design services for municipal and public sector clients	-	-	-
11/13/25	UCC Environmental LLC	Trimay Wear Plate Ltd.	Manufacturer of advanced wear overlay and cladding technologies protecting industrial equipment	-	-	-
11/12/25	A. O. Smith Corporation	Leonard Valve Company, LLC	Manufacturer of digital and thermostatic mixing valves and boiler control technologies	$470.0	-	12.0x
11/11/25	Parker-Hannifin Corporation	Filtration Group Corporation	Manufacturer of proprietary filtration and separation technologies	$9,250.0	4.6x	19.6x
11/7/25	The Rapid Group	O&M Solutions	Provider of operations and maintenance services for wastewater treatment plants	-	-	-

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

(1) EV / EBITDA multiples may vary based on the use of forward or trailing EBITDA figures. Disclosed multiples for publicly listed companies may also reflect post-synergy EBITDA and / or potential tax benefits.

Select Transactions in Last Twelve Months (Cont.)

Date Announced	Buyer / Investor	Target	Target Description	Transaction ($ mm)	EV / LTM	
					Revenue	EBITDA[1]
11/7/25	HF Equity	Rohrsanierung Jensen GmbH	Provider of trenchless rehabilitation and maintenance services for sewage pipes and sewer systems in Germany	-	-	-
11/6/25	Neenah Foundry Company	Bingham and Taylor Corp.	Manufacturer of underground infrastructure access products including meter and valve boxes, lids and pits	-	-	-
11/5/25	Watts Water Technologies	Haws Corporation	Manufacturer of emergency safety showers, eyewashes and hydration fixtures	-	-	-
11/3/25	TJC LP	Lindsay Precast, LLC	Manufacturer of precast concrete and steel products for water, utility and transportation infrastructure	-	-	-
10/31/25	North American Pipeline	Atlantic Coast Contractors	Provider of trenchless and conventional water and sewer rehabilitation services for municipal infrastructure	-	-	-
10/27/25	American Water Works	Essential Utilities, Inc.	Provider of regulated water, wastewater and natural gas utility services across the United States	$20,237.8	8.5x	15.2x
10/20/25	FloWorks International LLC	Slater Controls LLC	Distributor of valve automation, instrumentation and relief valve products for process industries	-	-	-
10/15/25	Visu-Sewer LLC	Sheridan Plumbing & Sewer	Providers of utility and commercial wastewater infrastructure, pipe cleaning, inspection and locating services	-	-	-
10/13/25	Enpro Inc.	AlpHa Measurement Solutions	Manufacturer of liquid analytical sensing technologies and instrumentation	-	-	-
10/13/25	Vortex Companies, LLC	Primeline Products, Inc.	Provider of trenchless rehabilitation products, equipment and materials for plumbing and utility contractors	-	-	-
10/8/25	S. J. Electro Systems, Inc.	LangeTech Inc.	Provider of automation consulting, programming and system integration services	-	-	-
10/8/25	Verdantas LLC	Colibri Ecological Consulting	Provider of ecological planning, regulatory permitting and field survey services	-	-	-
10/6/25	The Toro Company	Tornado Infrastructure	Manufacturer of hydrovac and vacuum trucks used for safe excavation and utility exposure	$220.3	2.1x	18.1x
10/6/25	Itron, Inc.	Urbint, Inc.	Provider of AI-powered software for predicting and preventing utility infrastructure and public safety incidents	$325.0	-	-
10/6/25	Vestum AB	Dynamic Fluid Solutions Ltd	Provider of industrial pump and pipework systems with rental, design, installation and aftermarket services	$385.0	2.7x	7.0x
10/2/25	Parsons Corporation	Applied Sciences Consulting	Provider of water and stormwater engineering solutions focused on infrastructure resilience for public agencies	-	-	-
10/2/25	AURELIUS Equity	Water metering of Xylem	Manufacturer of mechanical and static water and heat meters for residential smart metering markets in Europe	-	-	-
10/1/25	Crom, LLC	C.F.G. Industries, L.L.C.	Provider of specialized water infrastructure rehabilitation services including coatings and structural repairs	-	-	-
10/1/25	Rain Bird Corporation	Rachio, Inc.	Provider of cloud-connected smart irrigation controllers and home water management technology	-	-	-
10/1/25	Visu-Sewer LLC	MOR Construction Services	Provider of utility and commercial wastewater infrastructure services	-	-	-
10/1/25	Hasa, Inc.	B's Pool Supplies	Provider of chemical supply and delivery for recreational and commercial aquatic water treatment	-	-	-
9/29/25	Genuit Group plc	Davidson Holdings Ltd	Manufacturer of plumbing, heating and water conservation products for residential and commercial buildings	$65.8	1.5x	8.5x
9/24/25	Cleanwater1, Inc.	Pure Air Filtration, LLC	Provider of gas-phase air purification / filtration systems for removal of corrosive gases, odors and toxic vapors	-	-	-
9/23/25	Advanced Drainage Systems	National Diversified Sales	Provider of residential and commercial stormwater, wastewater and irrigation water management solutions	$1,000.0	3.2x	16.1x
9/23/25	Netmore Group AB	ArsonData Metering S.L.	Provider of remote meter reading and smart management technologies for water and gas supply networks	-	-	-

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

(1) EV / EBITDA multiples may vary based on the use of forward or trailing EBITDA figures. Disclosed multiples for publicly listed companies may also reflect post-synergy EBITDA and / or potential tax benefits.

Select Transactions in Last Twelve Months (Cont.)

Date Announced	Buyer / Investor	Target	Target Description	Transaction ($ mm)	EV / LTM	
					Revenue	EBITDA[1]
9/18/25	Strategic Acquirer	High Tide Technologies (HTT)	Provider of SaaS-based remote SCADA and end-to-end asset monitoring and control	-	-	-
9/16/25	Kemira Oyj	Water Engineering, Inc.	Provider of industrial water treatment chemicals, services and equipment	$150.0	2.5x	-
9/12/25	Workdry International Ltd	Atlas Dewatering, LLC	Provider of wellpoint and drainage installation services plus pump rental and maintenance	-	-	-
9/11/25	Excellere Partners	Hinterland Group	Provider of mission-critical pipeline rehabilitation solutions	-	-	-
9/10/25	Purgo Holdings, LLC	Puroflux Corporation	Manufacturer of industrial and commercial water filtration systems, pump packages and control panels	-	-	-
9/9/25	Shenandoah Industrial	Nu-Pipe LLC	Provider of trenchless pipe rehabilitation services using SAPL, CIPP and injection grouting technologies	-	-	-
9/4/25	Smartvatten Oy	AQVA.IO Oy	Provider of submetering and IoT-enabled water monitoring solutions	-	-	-
9/2/25	Ardurra Group, Inc.	J. R. Wauford & Company	Provider of engineering, planning, design and consulting services for water and wastewater systems	-	-	-
9/2/25	Valicor Environmental	ECO-FIRST, Inc.	Provider of environmental and waste management services including waste collection, treatment and recycling	-	-	-
9/2/25	Core & Main, Inc.	Canada Waterworks	Distributor of water, wastewater and storm drainage products serving municipal and contractor customers	-	-	-
8/29/25	Hawkins, Inc.	StillWaters Technology, Inc.	Distributor of water treatment chemicals and equipment serving customers across Alabama	$4.3	-	-
8/27/25	SJWTX, Inc.	Assets of South Central Water	Provider of wastewater treatment plants, collection systems and utility services for Texas communities	-	-	-
8/27/25	Coltala Holdings, LLC	Alsay Incorporated	Provider of deep water well drilling, pump systems and water infrastructure services	-	-	-
8/22/25	Abu Dhabi National Energy	GS INIMA ENVIRONMENT	Provider of global water desalination, treatment and wastewater solutions	$1,214.9	2.9x	10.6x
8/22/25	Rochester Midland	Decon Water Technologies	Provider of customized water treatment programs combining proprietary chemistry and automation	-	-	-
8/20/25	Grundfos Holding A/S	Newterra Corporation, Inc.	Provider of modular water, wastewater and groundwater treatment products and services	$320.0	-	-
8/18/25	Pentair plc	Hydra-Stop LLC	Provider of specialty valve solutions	$290.0	5.8x	-
8/14/25	Axius Water	S&N Airoflo, LLC	Supplier of surface aeration systems	-	-	-
8/12/25	Ecolab Inc.	Electronics division of Ovivo	Provider of advanced water and wastewater treatment equipment, technology and systems	$1,800.0	3.6x	-
8/6/25	Western Midstream Partners	Aris Water Solutions, Inc.	Provider of full-cycle water management and recycling solutions	$2,696.6	5.7x	12.9x
8/5/25	ATLAS-SSI, Inc.	WTR Engineering, LLC	Provider of mechanical water filtration	-	-	-
8/1/25	Xylem Inc.	EnviroMix	Provider of compressed gas mixing and biological process solutions	-	-	-
7/14/25	United Flow Technologies	Bissnuss, Inc.	Distributes process and chemical feed equipment for water and wastewater treatment	-	-	-
7/14/25	HKW	Sepratech Liquid Solutions	Provider of industrial water and wastewater treatment services across the Gulf Coast	-	-	-
7/8/25	H2O America	Quadvest, L.P.	Provider of water and wastewater utility services to residential communities and municipal utility districts	$540.0	-	-

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

(1) EV / EBITDA multiples may vary based on the use of forward or trailing EBITDA figures. Disclosed multiples for publicly listed companies may also reflect post-synergy EBITDA and / or potential tax benefits.

Select Transactions in Last Twelve Months (Cont.)

Date Announced	Buyer / Investor	Target	Target Description	Transaction ($ mm)	EV / LTM	
					Revenue	EBITDA[1]
7/8/25	StormTrap, LLC	J.W. Faircloth & Son, Inc.	Provider of stormwater dewatering solutions through surface skimmers designed to improve water quality	-	-	-
7/2/25	FSN Capital Partners AS	Volue Infrastructure AS	Provider of niche infrastructure software	-	-	-
7/1/25	Charger Investment Partners	Versa-Drill	Provider of premium drilling rigs used in water well, geothermal and cathodic protection applications	-	-	-
7/1/25	Water Engineering, Inc.	LDW Water Technologies, Inc.	Provider of industrial water treatment services	-	-	-
Median				**$357.9**	**3.1x**	**13.9x**
Mean				**$1,764.0**	**3.7x**	**13.1x**

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

(1) EV / EBITDA multiples may vary based on the use of forward or trailing EBITDA figures. Disclosed multiples for publicly listed companies may also reflect post-synergy EBITDA and / or potential tax benefits.

Public Company Comparable Universe

Set forth below, we have classified select publicly traded companies within the water universe into nine subsectors. We recently recategorized the sector groups given the growing importance on smart tech, services and engineered solutions providers. In addition, we increased the representation of non-U.S. companies to reflect the addition of the water-related bankers in Europe.

AGRICULTURE

CNH Industrial
Lindsay Corporation
Toro
Valmont

ENGINEERED SOLUTIONS

ADS
Alfa Laval
A.O. Smith
DuPont
Halma
IDEX Corporation
MetaWater
Pentair
Veralto

FLOW CONTROL

Flowserve
Franklin Electric
Gorman-Rupp Company
Graco
Mueller Water Products
Rotork
Sulzer
Watts
Weir
Xylem Let's Solve Water
Zurn Elkay

INFRASTRUCTURE

AECOM
Fluor
Northwest Pipe Company
Orion
Primoris
Stantec
Tetra Tech

RESIDENTIAL & COMMERCIAL SERVICES

Aramark
Compass Group
Ecolab
Primo Water
Rentokil
WtW Group

SMART TECH

ABB
Badger Meter
Emerson
energy recovery
Itron
Schneider Electric
Veralto
Xylem Let's Solve Water

SPECIALTY CHEMICAL

Clariant
Ecolab
Hawkins
Kemira
Kurita

SPECIALTY DISTRIBUTION

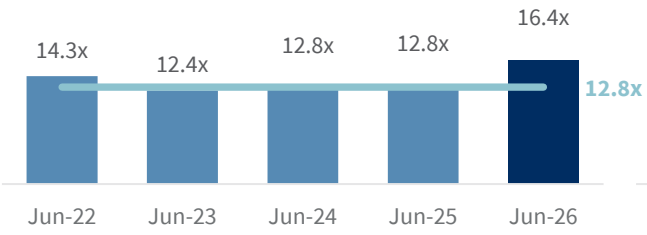
Core & Main
Ferguson
Grainger
MSC
Pool Corp
SiteOne Landscape Supply

UTILITIES

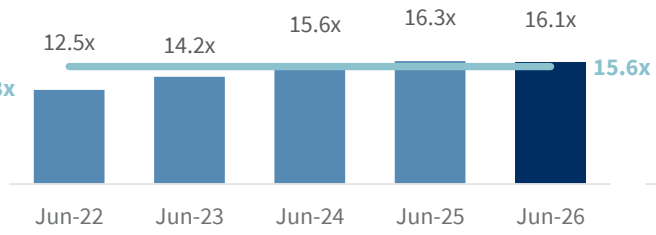
American States Water Company
American Water
Artesian
California Water Service Group
Consolidated Water
GWR Global Water Resources
H2O America
Middlesex Water Company
Pennon
Severn Trent
United Utilities
York Water

Public Company Valuation: EV / LTM EBITDA

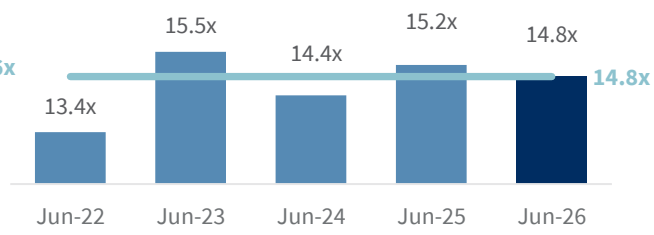
AGRICULTURE



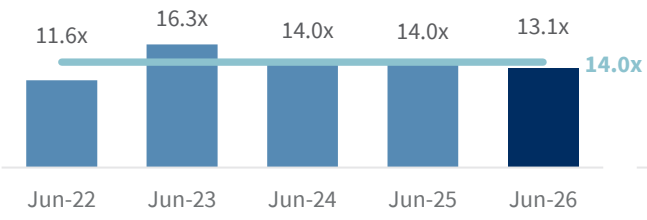
ENGINEERED SOLUTIONS



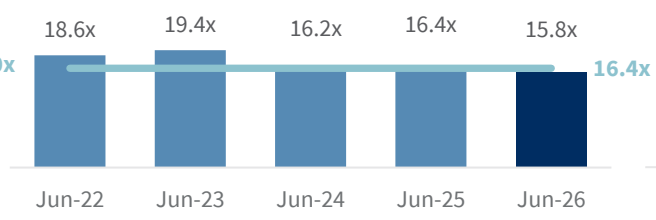
FLOW CONTROL



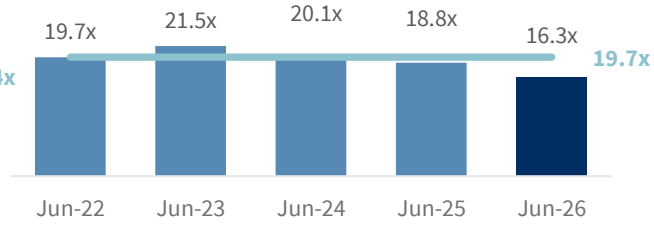
INFRASTRUCTURE



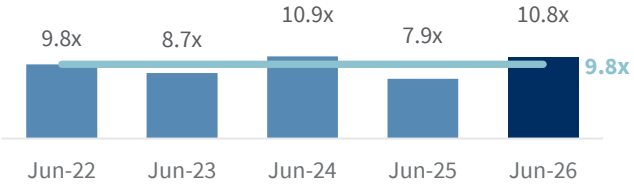
RESIDENTIAL & COMMERCIAL SERVICES



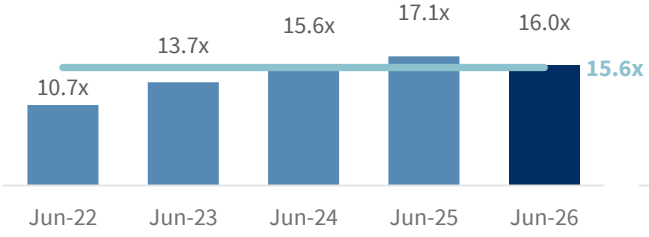
SMART TECH



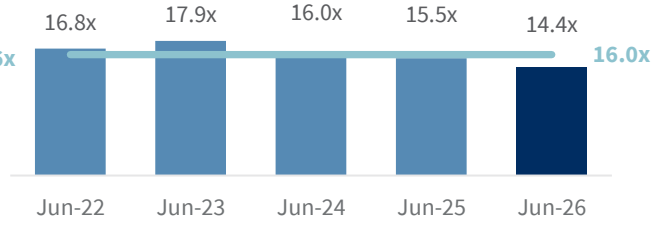
SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION



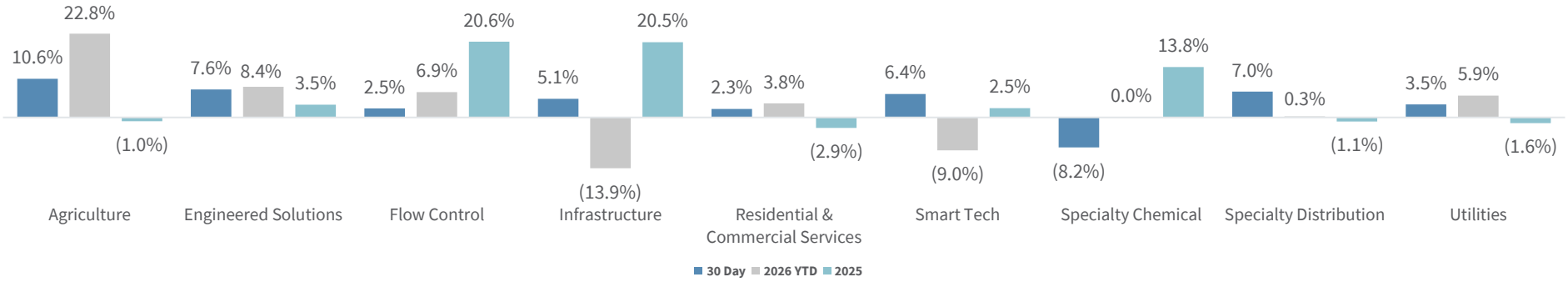
UTILITIES



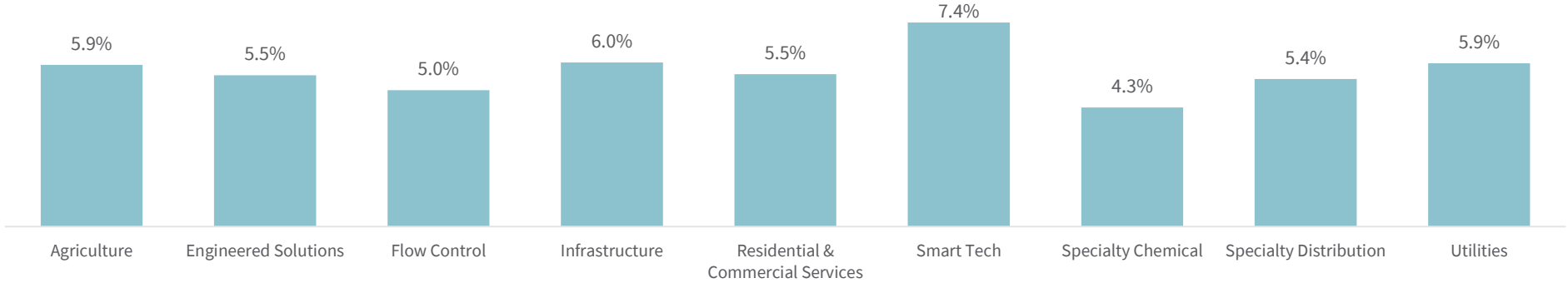
Source: CapIQ market data as of 6/30/2026.
Note: Values represent the median EV / LTM EBITDA multiples for each sector at the specified date. For additional detail on the companies within each sector, see detail pages in the back of the newsletter. Light blue line and bold value represent the median of the five multiple medians shown.

Industry Performance Overview

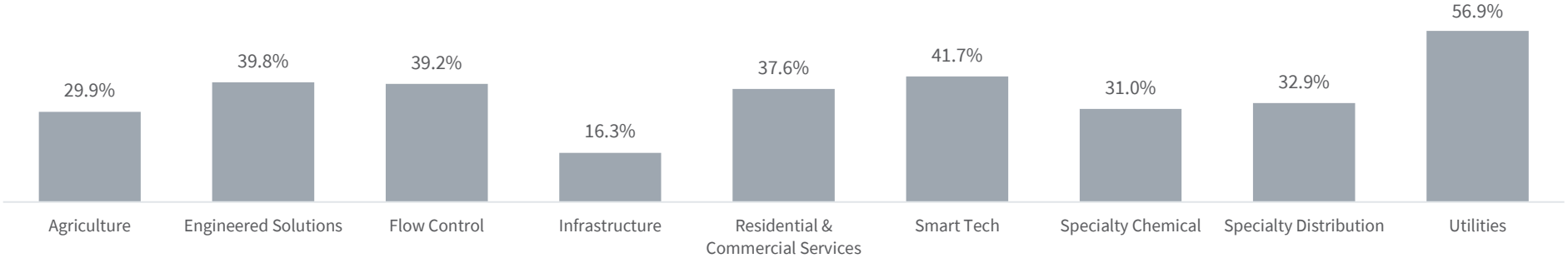
STOCK PRICE PERFORMANCE



REVENUE CAGR (2026-2028)



GROSS MARGIN (LTM)



Source: CapIQ market data as of 6/30/2026.
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

April 2026 Scruggs Company a portfolio company of ROX Capital Partners has been acquired by The Sterling Group	February 2026 Azuria Water Solutions a portfolio company of NMC New Mountain Capital has acquired Waterline Renewal Technologie a portfolio company of Behrman Capital	December 2025 Eagle Merchant Partners has acquired APS Atlantic Pipe Services	November 2025 Lindsay Precast a portfolio company of Underground Coatings has been acquired by TJC	October 2025 Aurelius has acquired Sensus International, the water and heat metering business outside of North America of xylem
September 2025 HIG Hinterland Group Inc. has been acquired by Excellere Partners	August 2025 newterra a portfolio company of Frontenac has been acquired by Grundfos	July 2025 EnviroMix a portfolio company of GEF Capital Partners has been acquired by xylem	July 2025 Faircloth Skimmer a portfolio company of Aiglon Capital has been acquired by StormTrap a portfolio company of PSP Partners	March 2025 Atlas SSI a portfolio company of XPV Water Partners has been acquired by Goldman Sachs Alternatives
February 2025 nuflow a subsidiary of Aquam has been acquired by Trelleborg	January 2025 CROM a portfolio company of sciens water has been acquired by Frontenac	January 2025 Castle Capital has acquired WATR a portfolio company of Borsodchem	December 2024 cerberus has acquired Landmark a portfolio company of Graycliff Partners	September 2024 Orenco Systems has been acquired by Infiltrator Water Technologies ADS
September 2024 Shenandoah a portfolio company of KLH Capital has been acquired by GenNx360 Capital Partners	July 2024 SePRO a portfolio company of Platinum Equity has received a majority investment from Stanley And a minority co-investment from Goldman Sachs Alternatives	December 2023 Municipal District Services has been acquired by FCC Aqualia	December 2023 Ember Infrastructure has acquired h2o innovation C$395,000,000	August 2023 Environmental Site Solutions has been acquired by newterra a portfolio company of Frontenac
August 2023 SES a portfolio company of Rosewood Private Investments has been acquired by Pollution Control Industries	July 2023 Hydro International from funds advised by Agilitas has been acquired by Oldcastle Infrastructure a company of CRH	June 2023 GWTT a portfolio company of Hudson Ferry Capital has been acquired by Ember Infrastructure	June 2023 Treatment Technologies A subsidiary of Shelton Associates has been acquired by Inframark a portfolio company of NMC New Mountain Capital	January 2023 Morgan Stanley Capital Partners has acquired APEX a portfolio company of Sentinel Capital Partners
December 2022 Comvest Partners has acquired Duke's Root Control, Inc. A carve-out of Douglas Products a portfolio company of Altamont Capital Partners	September 2022 TRILL IMPACT Has entered into a growth partnership with komet	June 2022 UGSI Solutions a portfolio company of Riverwood Capital has been acquired by Baird Capital	March 2022 Aqua Chem a portfolio company of Crimson has been acquired by Saur a portfolio company of EQT	December 2021 AqueoUS Vets has been acquired by BainCapital Double Impact

SECTION 07

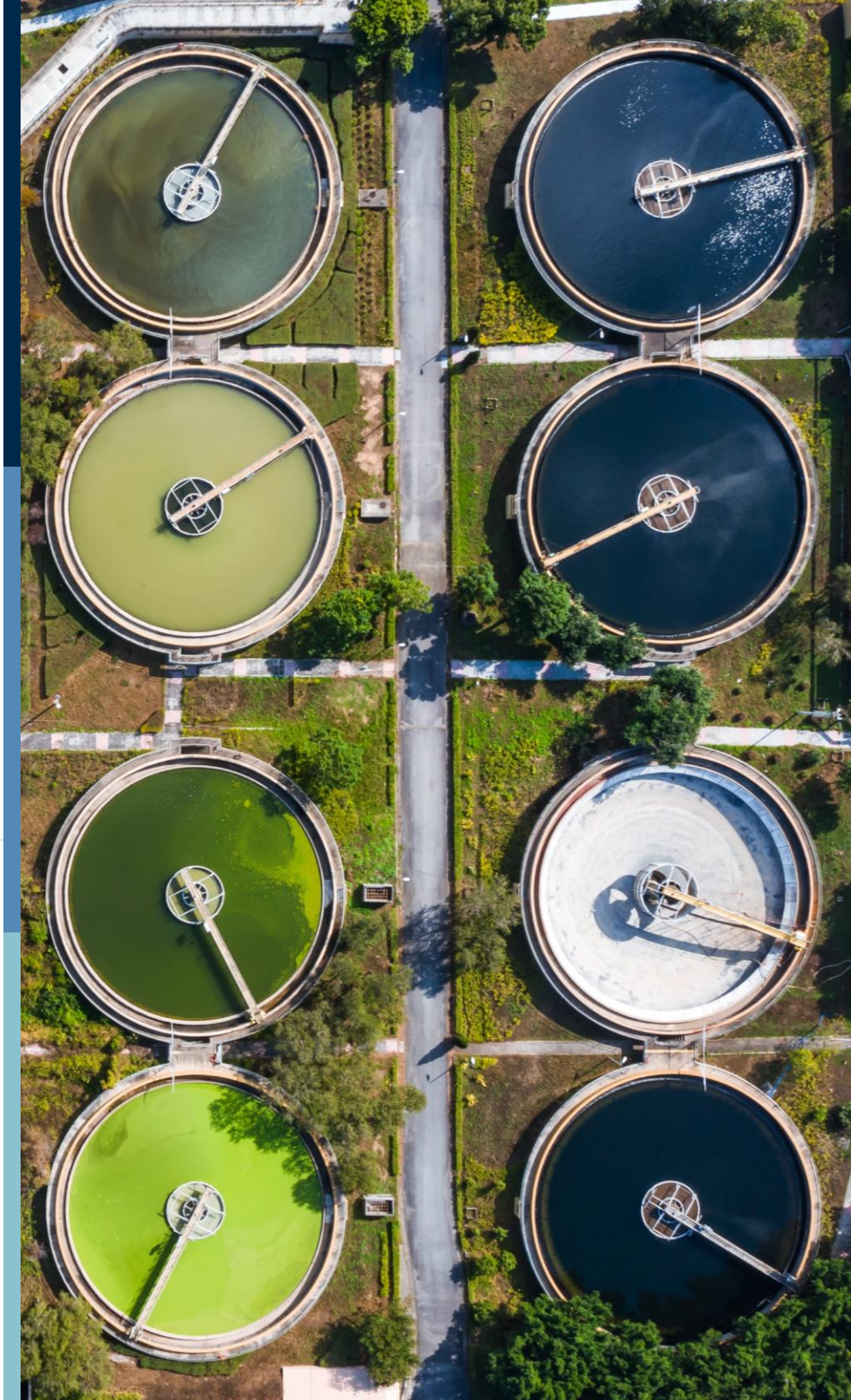
Water Conference Calendar

Upcoming Water Conference Calendar

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

World Water Week	8/24/2026 – 8/28/2026	Stockholm, Sweden	Largest annual global water conference focused on solving the greatest challenges in water
weftec the water quality event™	9/26/2026 – 9/30/2026	New Orleans, LA	The largest event of its kind in North America, offering comprehensive water quality education and training
wexglobal Water and Energy Exchange	2/1/2027 – 2/3/2027	Madrid, Spain	Global conference aimed at connecting water professionals in the water and energy markets
wwett by informa	2/22/2027 – 2/25/2027	Indianapolis, IN	The world's largest trade show for wastewater and environmental service professionals
WORLD WATER-TECH INNOVATION SUMMIT London, February 23-24, 2027	2/23/2027 – 2/24/2027	London, UK	Global summit for water industry leaders as well as investors from around the world
AQUA TECH AMSTERDAM	3/9/2027 – 3/12/2027	Amsterdam, Netherlands	Global trade event focused on showcasing innovations and solutions in the water treatment, wastewater and water purification space
NASTT MARCH 21-25 | RALEIGH, NC NO-DIG SHOW 2027	3/21/2027 – 3/25/2027	Raleigh, NC	Largest trenchless technology conference in the world
WQA CONVENTION & EXPOSITION	4/28/2027 – 4/30/2027	Phoenix, AZ	Most comprehensive gathering of water treatment professionals connecting technology and industry knowledge
GLOBAL WATER SUMMIT 2027	5/24/2027 – 5/26/2027	Prague, Czech Republic	International conference aimed at connecting water leaders, industry experts and other stakeholders in the global water sector
American Water Works Association ACE ANNUAL CONFERENCE & EXPOSITION	6/13/2027 – 6/16/2027	San Diego, CA	Large global gathering of water professionals featuring education, exhibits, networking and technologies to address key water system challenges

Appendix



Comparable Companies Detail

As of 06/30/2026. (In millions of USD, except per share data)								LTM Financial Performance				Growth		Leverage		Valuation Metrics			
	Listing	Stock	% of 52 Week		Dividend	Enterprise	Market			Gross	EBITDA	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
Company	Country	Price	High	Low	Yield	Value	Cap	Revenue	EBITDA	Margin	Margin	'24 - '26	'26 - '28	Gross	Net	LTM	NTM	LTM	NTM
Agriculture																			
CNH Industrial N.V.	United States	$11.23	79%	125%	1.0%	$38,929	$13,925	$18,185	$964	17.8%	5.3%	(5.3%)	8.9%	-	-	2.1x	2.1x	40.4x	36.3x
Lindsay Corporation	United States	$123.80	83%	127%	1.4%	$1,239	$1,287	$628	$84	29.5%	13.4%	1.6%	5.4%	1.6x	-	2.0x	1.9x	14.7x	13.7x
The Toro Company	United States	$97.42	93%	144%	1.7%	$10,234	$9,277	$4,659	$674	33.6%	14.5%	2.5%	3.5%	1.7x	1.4x	2.2x	2.1x	15.2x	13.1x
Valmont Industries, Inc.	United States	$577.60	99%	180%	0.6%	$11,991	$11,213	$4,232	$678	30.4%	16.0%	3.2%	6.4%	1.3x	1.1x	2.8x	2.7x	17.7x	15.7x
Mean					**1.2%**	**$15,598**	**$8,926**	**$6,926**	**$600**	**27.8%**	**12.3%**	**0.5%**	**6.0%**	**1.5x**	**1.3x**	**2.3x**	**2.2x**	**22.0x**	**19.7x**
Median					**1.2%**	**$11,112**	**$10,245**	**$4,445**	**$676**	**29.9%**	**13.9%**	**2.0%**	**5.9%**	**1.6x**	**1.3x**	**2.2x**	**2.1x**	**16.4x**	**14.7x**
Engineered Solutions																			
A. O. Smith Corporation	United States	$62.72	77%	116%	2.4%	$9,098	$8,645	$3,805	$784	38.6%	20.6%	0.7%	4.3%	0.9x	0.6x	2.4x	2.3x	11.6x	11.0x
Advanced Drainage Systems, Inc.	United States	$156.96	88%	143%	0.5%	$13,677	$12,030	$3,050	$888	38.3%	29.1%	7.7%	5.4%	2.1x	1.8x	4.5x	4.0x	15.4x	13.4x
Alfa Laval AB (publ)	Sweden	$59.53	100%	146%	1.6%	$26,094	$24,607	$7,266	$1,422	36.3%	19.6%	9.9%	6.8%	1.5x	1.2x	3.6x	3.5x	18.3x	16.5x
DuPont de Nemours, Inc.	United States	$135.64	54%	136%	1.8%	$21,019	$18,314	$6,918	$1,553	35.0%	22.4%	(23.9%)	4.0%	2.1x	1.6x	3.0x	2.9x	13.5x	11.9x
Halma plc	United Kingdom	$52.20	80%	125%	0.7%	$20,735	$19,713	$3,410	$822	50.0%	24.1%	16.3%	10.9%	1.5x	1.2x	6.1x	5.4x	25.2x	21.4x
IDEX Corporation	United States	$226.95	99%	144%	1.3%	$18,109	$16,798	$3,585	$968	44.7%	27.0%	5.3%	5.5%	1.9x	1.3x	5.1x	4.9x	18.7x	18.3x
METAWATER Co., Ltd.	Japan	$20.46	79%	152%	2.6%	$998	$893	$1,319	$102	22.7%	7.7%	10.6%	8.7%	2.4x	-	0.8x	0.7x	9.8x	8.4x
Pentair plc	United States	$76.66	67%	110%	1.7%	$14,403	$12,389	$4,012	$1,035	41.4%	25.8%	2.5%	4.6%	1.7x	1.6x	3.6x	3.3x	13.9x	11.9x
Veralto Corporation	United States	$88.68	81%	111%	0.6%	$23,222	$21,780	$5,593	$1,378	59.9%	24.6%	6.4%	5.5%	2.1x	1.0x	4.2x	3.9x	16.9x	15.4x
Mean					**1.3%**	**$17,282**	**$15,815**	**$4,394**	**$1,021**	**41.0%**	**22.6%**	**4.4%**	**6.4%**	**1.9x**	**1.4x**	**3.8x**	**3.6x**	**16.5x**	**14.7x**
Median					**1.4%**	**$19,422**	**$17,556**	**$3,799**	**$1,001**	**39.8%**	**24.4%**	**7.0%**	**5.5%**	**2.0x**	**1.3x**	**3.9x**	**3.7x**	**16.1x**	**14.4x**
Flow Control																			
Flowserve Corporation	United States	$74.16	80%	152%	1.2%	$10,644	$9,478	$4,634	$717	35.1%	15.5%	3.2%	5.7%	3.2x	2.2x	2.3x	2.1x	14.8x	11.8x
Franklin Electric Co., Inc.	United States	$107.19	96%	121%	1.1%	$4,951	$4,736	$2,212	$353	35.5%	16.0%	5.5%	-	0.9x	0.6x	2.2x	2.2x	14.0x	13.7x
Graco Inc.	United States	$75.61	79%	103%	1.5%	$11,890	$12,549	$2,267	$735	52.6%	32.4%	5.4%	5.6%	-	-	5.2x	5.0x	16.2x	15.5x
Mueller Water Products, Inc.	United States	$25.83	83%	114%	1.1%	$4,073	$4,042	$1,464	$340	37.6%	23.2%	5.3%	-	1.3x	-	2.8x	2.7x	12.0x	10.8x
Rotork plc	United Kingdom	$3.92	75%	101%	1.7%	$3,105	$3,188	$1,046	$265	50.0%	25.4%	5.6%	5.0%	0.2x	-	3.0x	3.0x	11.7x	11.1x
Sulzer AG	Switzerland	$166.09	74%	110%	3.2%	$5,949	$5,603	$4,312	$648	35.1%	15.0%	7.4%	4.0%	2.3x	0.7x	1.4x	1.3x	9.2x	8.0x
The Gorman-Rupp Company	United States	$91.74	99%	252%	0.9%	$2,686	$2,423	$702	$133	31.8%	19.0%	4.5%	3.5%	2.1x	1.7x	3.8x	3.6x	20.2x	19.6x
The Weir Group PLC	United Kingdom	$31.90	67%	107%	1.6%	$9,930	$8,228	$3,501	$692	39.3%	19.8%	5.9%	5.8%	3.5x	2.8x	2.8x	2.7x	14.3x	11.2x
Watts Water Technologies, Inc.	United States	$391.45	99%	161%	0.7%	$13,001	$13,071	$2,558	$559	49.2%	21.8%	10.2%	4.7%	0.5x	-	5.1x	4.7x	23.3x	21.2x
Xylem Inc.	United States	$118.21	77%	112%	1.5%	$29,608	$28,098	$9,126	$1,978	39.2%	21.7%	4.4%	4.7%	1.5x	0.9x	3.2x	3.2x	15.0x	13.8x
Zurn Elkay Water Solutions Corporation	United States	$50.53	94%	141%	0.9%	$8,711	$8,432	$1,787	$466	49.0%	26.1%	8.1%	5.3%	1.2x	0.4x	4.9x	4.7x	18.7x	17.3x
Mean					**1.4%**	**$9,504**	**$9,077**	**$3,055**	**$626**	**41.3%**	**21.4%**	**6.0%**	**4.9%**	**1.7x**	**1.3x**	**3.3x**	**3.2x**	**15.4x**	**14.0x**
Median					**1.2%**	**$8,711**	**$8,228**	**$2,267**	**$559**	**39.2%**	**21.7%**	**5.5%**	**5.0%**	**1.4x**	**0.9x**	**3.0x**	**3.0x**	**14.8x**	**13.7x**
Infrastructure																			
AECOM	United States	$69.80	52%	104%	1.7%	$11,479	$8,971	$15,986	$1,277	7.7%	8.0%	1.2%	-	2.6x	1.8x	0.7x	0.7x	9.0x	8.6x
Fluor Corporation	United States	$52.39	91%	139%	-	$4,795	$7,317	$15,184	($353)	-	-	(2.1%)	6.9%	-	7.4x	0.3x	0.3x	-	8.5x
NWPX Infrastructure, Inc.	United States	$149.94	99%	375%	-	$1,541	$1,445	$574	$85	20.9%	14.8%	10.1%	3.3%	1.3x	1.0x	2.7x	2.6x	18.1x	17.6x
Orion Group Holdings, Inc.	United States	$16.82	97%	261%	-	$805	$681	$897	$33	11.8%	3.7%	5.0%	6.0%	4.9x	4.9x	0.9x	0.8x	24.4x	13.1x
Primoris Services Corporation	United States	$99.12	48%	152%	0.4%	$5,944	$5,378	$7,487	$466	10.4%	6.2%	8.7%	10.1%	2.0x	1.2x	0.8x	0.8x	12.8x	18.7x
Stantec Inc.	Canada	$68.88	61%	103%	1.0%	$9,428	$7,857	$4,754	$702	54.2%	14.8%	11.2%	5.7%	2.6x	2.3x	2.0x	1.9x	13.4x	10.3x
Tetra Tech, Inc.	United States	$28.89	67%	112%	0.9%	$8,384	$7,498	$4,359	$655	21.8%	15.0%	(2.7%)	-	1.6x	1.2x	1.9x	1.9x	12.8x	12.6x
Mean					**1.0%**	**$6,054**	**$5,592**	**$7,034**	**$409**	**21.1%**	**10.4%**	**4.5%**	**6.4%**	**2.5x**	**2.8x**	**1.3x**	**1.3x**	**15.1x**	**12.8x**
Median					**0.9%**	**$5,944**	**$7,317**	**$4,754**	**$466**	**16.3%**	**11.4%**	**5.0%**	**6.0%**	**2.3x**	**1.8x**	**0.9x**	**0.8x**	**13.1x**	**12.6x**

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

Comparable Companies Detail (Cont.)

As of 06/30/2026. (In millions of USD, except per share data)								LTM Financial Performance				Growth		Leverage		Valuation Metrics			
	Listing	Stock	% of 52 Week		Dividend	Enterprise	Market			Gross	EBITDA	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
Company	Country	Price	High	Low	Yield	Value	Cap	Revenue	EBITDA	Margin	Margin	'24 - '26	'26 - '28	Gross	Net	LTM	NTM	LTM	NTM
Residential & Commercial Services																			
Aramark	United States	$56.90	100%	162%	0.8%	$20,964	$14,962	$19,414	$1,404	15.4%	7.2%	7.3%	7.3%	4.6x	4.2x	1.1x	1.0x	14.9x	12.7x
Compass Group PLC	United Kingdom	$32.30	87%	124%	2.1%	$63,653	$54,920	$48,485	$3,810	72.4%	7.9%	9.9%	8.0%	2.4x	2.3x	1.3x	1.2x	16.7x	11.8x
Ecolab Inc.	United States	$278.61	90%	115%	1.1%	$87,186	$78,411	$16,843	$4,138	44.2%	24.6%	5.4%	5.5%	3.3x	2.1x	5.2x	4.9x	21.1x	19.2x
Primo Brands Corporation	United States	$24.44	79%	170%	2.1%	$14,289	$8,869	$6,676	$1,323	31.0%	19.8%	(0.0%)	3.6%	4.3x	4.1x	2.1x	2.1x	10.8x	9.5x
Rentokil Initial plc	United Kingdom	$5.66	84%	127%	2.7%	$17,958	$14,242	$7,133	$1,252	14.0%	17.6%	2.7%	4.6%	4.9x	2.9x	2.5x	2.5x	14.3x	11.6x
Wall to Wall Group AB	Sweden	$3.45	58%	128%	0.0%	$76	$46	$85	$2	73.7%	2.5%	-	-	-	-	0.9x	-	35.8x	-
Mean					**1.5%**	**$34,021**	**$28,575**	**$16,439**	**$1,988**	**41.8%**	**13.3%**	**5.0%**	**5.8%**	**3.9x**	**3.1x**	**2.2x**	**2.3x**	**18.9x**	**13.0x**
Median					**1.6%**	**$19,461**	**$14,602**	**$11,988**	**$1,363**	**37.6%**	**12.7%**	**5.4%**	**5.5%**	**4.3x**	**2.9x**	**1.7x**	**2.1x**	**15.8x**	**11.8x**
Smart Tech																			
ABB Ltd	Switzerland	$108.39	98%	188%	1.2%	$200,361	$196,538	$35,752	$7,148	40.2%	20.0%	7.2%	8.5%	1.3x	0.5x	5.6x	5.2x	28.0x	23.9x
Badger Meter, Inc.	United States	$148.38	59%	132%	1.2%	$4,136	$4,331	$881	$197	41.3%	22.3%	5.7%	7.9%	0.1x	-	4.7x	4.4x	21.0x	18.8x
Emerson Electric Co.	United States	$143.15	87%	117%	1.5%	$92,460	$80,178	$18,316	$5,875	52.7%	32.1%	4.0%	6.0%	2.4x	2.1x	5.0x	4.8x	15.7x	16.6x
Energy Recovery, Inc.	United States	$9.02	49%	115%	-	$388	$465	$137	$30	64.3%	21.9%	(19.9%)	24.5%	0.3x	-	2.8x	4.2x	12.9x	31.8x
Itron, Inc.	United States	$86.53	61%	111%	-	$4,748	$3,837	$2,303	$361	39.9%	15.7%	(0.9%)	6.9%	4.4x	2.4x	2.1x	2.0x	13.1x	12.2x
Schneider Electric S.E.	France	$326.06	97%	137%	1.5%	$200,960	$183,216	$48,032	$9,735	42.1%	20.3%	12.9%	8.7%	2.4x	1.9x	4.2x	4.0x	20.6x	18.1x
Veralto Corporation	United States	$88.68	81%	111%	0.6%	$23,222	$21,780	$5,593	$1,378	59.9%	24.6%	6.4%	5.5%	2.1x	1.0x	4.2x	3.9x	16.9x	15.4x
Xylem Inc.	United States	$118.21	77%	112%	1.5%	$29,608	$28,098	$9,126	$1,978	39.2%	21.7%	4.4%	4.7%	1.5x	0.9x	3.2x	3.2x	15.0x	13.8x
Mean					**1.2%**	**$69,485**	**$64,805**	**$15,017**	**$3,338**	**47.4%**	**22.3%**	**2.5%**	**9.1%**	**1.8x**	**1.5x**	**4.0x**	**3.9x**	**17.9x**	**18.8x**
Median					**1.3%**	**$26,415**	**$24,939**	**$7,360**	**$1,678**	**41.7%**	**21.8%**	**5.0%**	**7.4%**	**1.8x**	**1.5x**	**4.2x**	**4.1x**	**16.3x**	**17.3x**
Specialty Chemical																			
Clariant AG	Switzerland	$8.73	78%	108%	4.6%	$4,815	$2,870	$4,695	$699	31.0%	14.9%	1.4%	3.1%	3.8x	2.6x	1.0x	1.0x	6.9x	5.7x
Ecolab Inc.	United States	$278.61	90%	115%	1.1%	$87,186	$78,411	$16,843	$4,138	44.2%	24.6%	5.4%	5.5%	3.3x	2.1x	5.2x	4.9x	21.1x	19.2x
Hawkins, Inc.	United States	$142.10	76%	120%	0.6%	$3,228	$2,971	$1,106	$167	22.3%	15.1%	10.2%	-	1.5x	1.5x	2.9x	2.8x	19.4x	16.7x
Kemira Oyj	Finland	$18.75	76%	107%	4.5%	$3,327	$2,727	$3,110	$482	16.7%	15.5%	3.6%	2.8%	1.9x	1.5x	1.1x	1.0x	6.9x	6.2x
Kurita Water Industries Ltd.	Japan	$56.30	92%	186%	1.5%	$6,369	$6,125	$2,534	$589	38.0%	23.2%	0.9%	6.2%	1.1x	0.4x	2.5x	2.4x	10.8x	11.1x
Mean					**2.4%**	**$20,985**	**$18,621**	**$5,658**	**$1,215**	**30.4%**	**18.7%**	**4.3%**	**4.4%**	**2.3x**	**1.6x**	**2.5x**	**2.4x**	**13.0x**	**11.8x**
Median					**1.5%**	**$4,815**	**$2,971**	**$3,110**	**$589**	**31.0%**	**15.5%**	**3.6%**	**4.3%**	**1.9x**	**1.5x**	**2.5x**	**2.4x**	**10.8x**	**11.1x**
Specialty Distribution																			
Core & Main, Inc.	United States	$48.25	72%	110%	-	$11,402	$9,032	$7,646	$919	27.1%	12.0%	2.8%	4.8%	2.7x	2.5x	1.5x	1.4x	12.4x	11.6x
Ferguson Enterprises Inc.	United States	$237.33	87%	114%	1.5%	$51,288	$46,027	$31,058	$3,043	30.7%	9.8%	4.8%	6.3%	2.0x	1.7x	1.7x	1.6x	16.9x	14.8x
MSC Industrial Direct Co., Inc.	United States	$118.95	98%	151%	2.8%	$7,156	$6,641	$3,909	$444	40.8%	11.4%	3.2%	5.2%	1.3x	1.1x	1.8x	1.8x	16.1x	14.9x
Pool Corporation	United States	$214.90	62%	124%	2.8%	$9,350	$7,832	$5,394	$643	29.6%	11.9%	1.4%	4.2%	2.6x	2.6x	1.7x	1.7x	14.6x	13.9x
SiteOne Landscape Supply, Inc.	United States	$114.41	68%	114%	-	$6,145	$5,069	$4,775	$387	35.1%	8.1%	4.5%	5.5%	2.9x	2.7x	1.3x	1.2x	15.9x	13.7x
W.W. Grainger, Inc.	United States	$1,360.40	98%	150%	0.7%	$66,728	$64,229	$18,378	$3,085	39.2%	16.8%	6.5%	6.6%	0.9x	0.7x	3.6x	3.4x	21.6x	19.7x
Mean					**2.0%**	**$25,345**	**$23,138**	**$11,860**	**$1,420**	**33.7%**	**11.7%**	**3.9%**	**5.4%**	**2.1x**	**1.9x**	**1.9x**	**1.8x**	**16.2x**	**14.8x**
Median					**2.2%**	**$10,376**	**$8,432**	**$6,520**	**$781**	**32.9%**	**11.6%**	**3.9%**	**5.4%**	**2.3x**	**2.1x**	**1.7x**	**1.6x**	**16.0x**	**14.4x**

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

Comparable Companies Detail (Cont.)

As of 06/30/2026. (In millions of USD, except per share data)								LTM Financial Performance				Growth		Leverage		Valuation Metrics			
	Listing	Stock	% of 52 Week		Dividend	Enterprise	Market			Gross	EBITDA	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
Company	Country	Price	High	Low	Yield	Value	Cap	Revenue	EBITDA	Margin	Margin	'24 - '26	'26 - '28	Gross	Net	LTM	NTM	LTM	NTM
Utilities																			
American States Water Company	United States	$82.63	99%	119%	2.4%	$4,147	$3,238	$679	$263	57.1%	38.7%	8.1%	3.4%	3.5x	3.5x	6.1x	5.8x	15.8x	14.7x
American Water Works Company, Inc.	United States	$131.58	89%	109%	2.7%	$41,221	$25,695	$5,284	$2,913	61.5%	55.1%	8.7%	6.5%	5.5x	5.4x	7.8x	7.5x	14.2x	12.9x
Artesian Resources Corporation	United States	$33.99	97%	111%	3.7%	$533	$351	$115	$50	49.4%	43.9%	-	-	3.7x	3.6x	4.6x	-	10.6x	-
California Water Service Group	United States	$48.65	96%	118%	2.7%	$4,559	$2,912	$1,054	$361	53.3%	34.3%	4.2%	5.1%	4.6x	4.5x	4.3x	4.1x	12.6x	11.3x
Consolidated Water Co. Ltd.	United States	$29.50	75%	105%	1.9%	$354	$472	$128	$24	36.6%	18.8%	(4.4%)	-	0.1x	-	2.8x	2.5x	14.6x	14.8x
Global Water Resources, Inc.	United States	$7.24	65%	111%	4.2%	$346	$208	$57	$22	71.3%	39.3%	5.5%	5.4%	6.3x	6.2x	6.1x	5.9x	15.5x	12.9x
H2O America	United States	$60.77	98%	139%	2.9%	$4,264	$2,543	$829	$317	56.9%	38.2%	9.5%	9.4%	6.0x	5.6x	5.1x	4.7x	13.5x	11.8x
Middlesex Water Company	United States	$56.16	90%	127%	2.5%	$1,473	$1,046	$206	$97	53.7%	47.1%	7.3%	8.8%	4.5x	4.5x	7.1x	6.7x	15.2x	16.0x
Pennon Group Plc	United Kingdom	$6.18	77%	106%	6.3%	$8,979	$2,915	$1,704	$667	97.0%	39.1%	20.1%	4.7%	9.7x	9.0x	5.3x	4.9x	13.5x	11.8x
Severn Trent PLC	United Kingdom	$39.22	89%	124%	4.2%	$25,352	$11,835	$3,738	$1,727	32.4%	46.2%	16.1%	9.6%	8.4x	7.8x	6.8x	6.1x	14.7x	12.3x
The York Water Company	United States	$30.65	89%	108%	2.9%	$735	$497	$79	$43	72.7%	53.9%	6.4%	4.4%	5.6x	5.6x	9.3x	8.5x	17.2x	15.5x
United Utilities Group PLC	United Kingdom	$17.37	87%	122%	3.9%	$25,767	$12,902	$3,455	$2,109	-	61.1%	12.1%	12.1%	7.2x	6.1x	7.5x	7.0x	12.2x	11.8x
Mean					**3.4%**	**$9,811**	**$5,384**	**$1,444**	**$716**	**58.3%**	**43.0%**	**8.5%**	**6.9%**	**5.4x**	**5.6x**	**6.1x**	**5.8x**	**14.1x**	**13.3x**
Median					**2.9%**	**$4,205**	**$2,727**	**$754**	**$290**	**56.9%**	**41.6%**	**8.1%**	**5.9%**	**5.5x**	**5.6x**	**6.1x**	**5.9x**	**14.4x**	**12.9x**

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

Notes and Disclosures

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