

# WaterVent 2025



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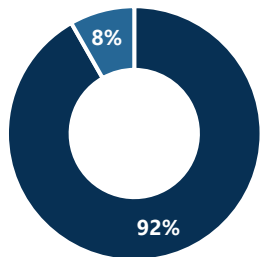
# Janney Firm Overview

*Janney Montgomery Scott, a portfolio company of KKR, is a full-service investment bank with comprehensive wealth management and capital markets services*

## Investment Banking Industry Verticals

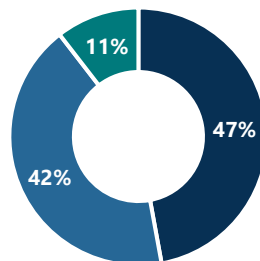


### M&A Execution Mix



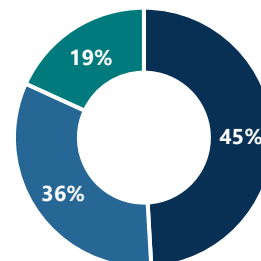
■ Sell-Side Engagements  
■ Buy-Side Engagements

### Client Partnership



■ Financial Sponsor  
■ Family / Founder Owned  
■ Public Company

### Buyer Mix



■ Financial Sponsor  
■ Strategic Private Company  
■ Strategic Public Company

## By-the-Numbers

**1832** Janney Founded

**900+** Financial Advisors

**272** Companies Under Research

**250+** Capital Markets Professionals

**\$159B** Assets Under Management

**33** 2024 Investment Banking M&A Transactions

**15** Publishing Analysts

**11** Capital Markets Offices

**8** Investment Banking Verticals

**ONE** Firm Approach

# Dedicated & Highly Experienced Team

## Janney's Infrastructure Team



**Joseph M. Reichert**

*Head of Infrastructure Investment Banking*

- 20 years experience in the Infrastructure space
- Advised on more than 75+ transactions with a total deal value in excess of \$1.0 billion dollars
- B.S., Economics with a concentration in Finance and Accounting, The Wharton School, University of Pennsylvania



**James W. Adducci**

*Managing Director*

- 18 years experience in the Infrastructure space
- Prior experience at Boenning & Scattergood, most recently as Head of Water, Infrastructure & Environmental Investment Banking
- B.A., Economics, Carleton College



**Peter N. Slowik**

*Director*

- 14 years of experience across investment banking and accounting
- Prior experience at Citigroup Global Markets and PricewaterhouseCoopers LLP
- M.B.A., Johnson Graduate School of Management, Cornell University; B.S., Accounting, Saint Joseph's University



**Ben Jaworski,  
CFA**

*Vice President*

- 10 years of experience across investment banking and valuation advisory
- B.S.B.A., Finance, University of Pittsburgh



**Jon Feikens**

*Associate*

- 6 years of investment banking experience
- B.B.A., Finance and Business Analytics, Villanova University

# Janney's Long-Term Commitment to the Water Sector

**\$1.9B** Total M&A Infrastructure Transactions Closed Since 2020

**\$6.5B** Capital Raised for Water Companies Since 2020

## Water / Wastewater Sector Focus



**Equipment**

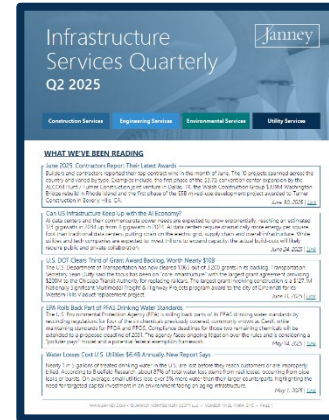
**Services**

**Infrastructure**

**Utilities**

**Technology**

## Respected Thought Leader in the Category



**2,100+**  
Copies distributed

**5+**  
Industry trade group affiliations

## Average Deal Statistics for Recent Water Transactions

**3** Average Number of LOIs



**100%** Deal Closure Rate



**11x** Average Multiple



**+100%** Average % of Pitched Value



**6** Average Deal Length (in Months)



# Select Recent Water Sector Capital Transactions

<p>\$729,100,000</p>  <p><b>WATERBRIDGE</b></p> <p><b>Initial Public Offering</b></p> <p><i>Co-Manager</i> September 2025</p>	<p>\$500,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>5.25% Senior Notes due 2035</b></p> <p><i>Co-Manager</i> August 2025</p>	<p>\$350,000,000</p>  <p><b>CALIFORNIA WATER SERVICE GROUP</b> INVESTING FOR LIFE</p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> May 2025</p>	<p>\$110,000,000</p>  <p><b>MIDDLESEX WATER COMPANY</b></p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> May 2025</p>	<p>\$32,200,000</p>  <p><b>GWR</b> Global Water Resources</p> <p><b>Common Stock Follow-On Offering</b></p> <p><i>Joint Book-Running Manager</i> March 2025</p>	<p>\$500,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>4.800% Senior Notes due 2027</b></p> <p><i>Co-Manager</i> August 2024</p>
<p>\$1,000,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> August 2024</p>	<p>\$200,000,000</p>  <p><b>American States WATER COMPANY</b></p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> February 2024</p>	<p>\$500,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>5.375% Senior Notes due 2034</b></p> <p><i>Co-Manager</i> January 2024</p>	<p>\$1,035,000,000</p>  <p><b>AMERICAN WATER</b></p> <p><b>3.625% Exchangeable Senior Notes due 2023</b></p> <p><i>Co-Manager</i> June 2023</p>	<p>\$38,166,950</p>  <p><b>ARTESIAN RESOURCES</b></p> <p><b>Common Stock Follow-On Offering</b></p> <p><i>Sole Book-Running Manager</i> May 2023</p>	<p>\$500,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> October 2022</p>
<p>\$500,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>5.30% Senior Notes due 2052</b></p> <p><i>Co-Manager</i> May 2022</p>	<p>\$350,000,000</p>  <p><b>CALIFORNIA WATER SERVICE GROUP</b> INVESTING FOR LIFE</p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> April 2022</p>	<p>\$45,999,540</p>  <p><b>"That good York water" SINCE 1816</b></p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Sole Book-Running Manager</i> April 2022</p>	<p>\$100,000,000</p>  <p><b>SJW Group</b></p> <p><b>Common Stock At-the-Market Offering</b></p> <p><i>Placement Agent</i> November 2021</p>	<p>\$400,000,000</p>  <p><b>Essential UTILITIES</b></p> <p><b>2.400% Senior Notes due 2031</b></p> <p><i>Co-Manager</i> April 2021</p>	<p>\$69,885,500</p>  <p><b>SJW Group</b></p> <p><b>Common Stock Follow-On Offering</b></p> <p><i>Co-Manager</i> March 2021</p>

# Select Recent Water Sector M&A Transactions

Janney closed 9 M&A transactions in the water sector since January 2024, and has averaged ~4 advisory deals per year in the water industry since 2021

**PUROFLUX**  
CORPORATION  
a portfolio company of  
MONTAGE PARTNERS  
PEOPLE CAPITAL  
has been acquired by  
**PURGO**  
HOLDINGS  
a portfolio company of  
WINCOVE  
**Advisor to Seller**  
September 2025

**SIGMA**  
has been acquired by  
WIND POINT  
PARTNERS  
**Advisor to Seller**  
March 2025

**INSITE**  
ENGINEERING  
a portfolio company of  
Newlook Capital  
&  
**FENGATE**  
has been acquired by  
**GODSPEED**  
CAPITAL  
**Advisor to Seller**  
December 2024

**CB**  
PIPING  
has been acquired by  
**AMERICAN**  
CAST IRON PIPE COMPANY  
**Advisor to Seller**  
December 2024

**BobcatEnergy**  
a portfolio company of  
**RESOURCE**  
has divested its Saltwater  
Injection Well assets to  
**SELECT**  
**Advisor to Seller**  
December 2024

**TBAILEY**  
INC.  
has been acquired by  
**SAOTHAIR**  
CAPITAL PARTNERS  
**Advisor to Seller**  
December 2024

**PVP**  
Penn Valley Pump  
has been acquired by  
**IR** Ingersoll Rand.  
**Advisor to Seller**  
October 2024

**SIGMA**  
has divested  
**SIGMA**  
PIPING PRODUCTS  
A Joint-Venture Subsidiary  
to an  
Undisclosed Buyer  
**Advisor to Seller**  
July 2024

**JCM**  
INDUSTRIES  
has been acquired by  
**McDonald**  
1956  
**Advisor to Seller**  
March 2024

**XK<sub>a</sub>**  
has been acquired by  
INTEGRATED  
**WATER**  
SERVICES, INC.  
a portfolio company of  
**sciensWATER**  
**Advisor to Seller**  
December 2023

**KEMCO**  
SYSTEMS  
has been acquired by  
**CECO**  
ENVIRONMENTAL  
**Advisor to Seller**  
August 2023

PHILADELPHIA  
MIXING SOLUTIONS  
**MIXING SOLUTIONS LIMITED**  
has been acquired by  
**SPXFLOW**  
**Advisor to Seller**  
November 2022

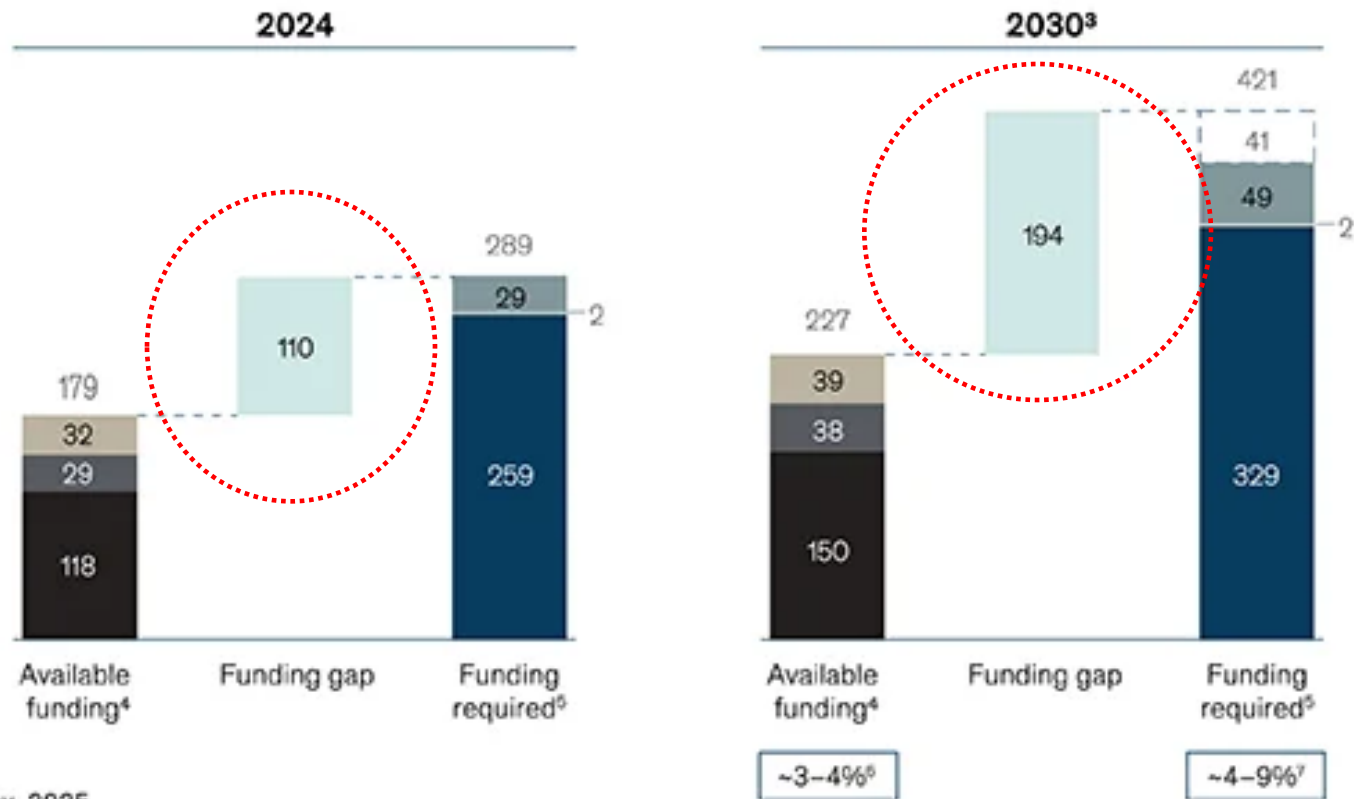
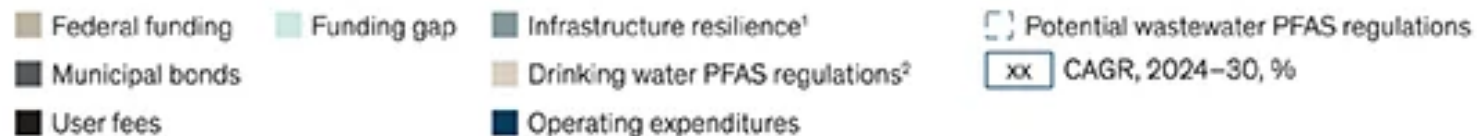
has been acquired by  
**AQUARION**  
Water Company  
Stewards of the Environment™  
a wholly owned  
subsidiary of  
**EVERSOURCE**  
**Advisor to Seller**  
October 2022

**LFM**  
Fiberglass Structures  
a portfolio company of  
**DOS RIOS**  
PARTNERS  
has been acquired by  
**NOV**  
**Advisor to Seller**  
August 2022

**UGSI Solutions**  
has received an  
investment from  
**Baird Capital** BAIRD  
**Advisor to Buyer**  
June 2022

# Funding Gaps Are Real

## U.S. UTILITY WATER AND WASTEWATER FUNDING NEEDS AND REQUIREMENTS<sup>1</sup>



<sup>1</sup>Source: McKinsey, 2025

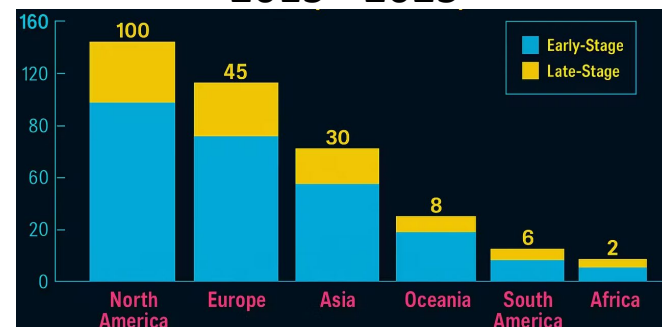


# Funding Environment

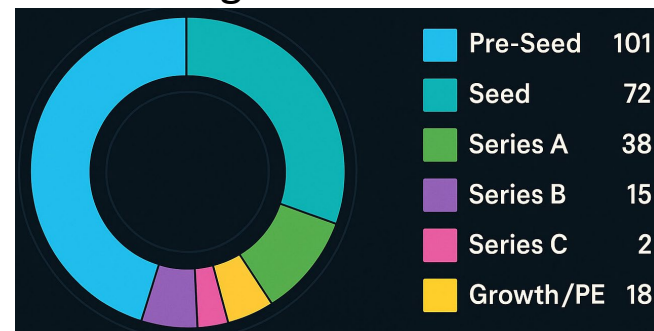
## VC Water investment finally surpassed the Billion level in 2024 hitting \$1.2 billion

- **Corporate investors have become pivotal players in VC markets around the globe**
  - The old thought of risk-averse, slow-moving, overly strategic, or not strategic enough is being replaced by a more nuanced and sophisticated model
  - Ferguson Ventures, MANN+HUMMEL Corporate Ventures, Bently Systems, Haliburton Labs, OldCastle
- **Burnt Island closed on its second fund with \$50m committed to invest in critical technologies**
  - They deployed \$30m across 18 companies (2 exits) in their first fund
  - Xylem is an anchor investor in both funds
- **Pureterra invests out of its ~\$95M fund**
- **One water-themed IPOs – 9/25 WaterBridge \$730M**

## Source of Water Funding 2015 - 2025



## Stage of Investment



## Average Funding Per Round

Pre-seed	\$1.0
Seed	\$3.5
Series A	\$9.2
Series B	\$22.6
Series C	\$44.6
Series D	\$105.0



# Areas of Interest Driving Market

**Water technology solutions that are aimed at redefining how water is sourced, used, and reused will drive interest from capital sources**

## ❖ **Real-time Sensing & Monitoring**

- Current water system is fraught with massive water loss / non-revenue water

## ❖ **Decentralized Water Generation**

- 56% of population may lack access to safe, non contaminated drinking water

## ❖ **Reuse and Recovery**

- Rising disposal costs are increasing regulations are forcing this issue in a good way

## ❖ **Electrolysis & Water-Based Hydrogen Systems**

- Producing 1kg of hydrogen requires ~9 liters of ultrapure water

## ❖ **Precision Agriculture & Environmental Sensing**

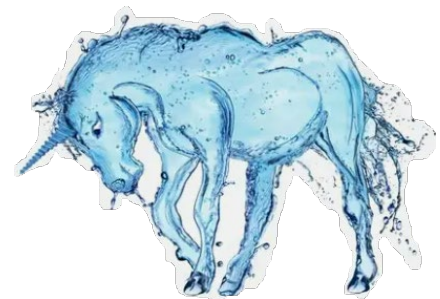
- Largest users of water are also incredibly inefficient

## ❖ **Liquid and Immersion Cooling / Water-based Thermal Storage**

- Traditional cooling consumes million of gallons daily

## ❖ **Separation & Filtration**

- RO and AC can be inefficient or ineffective at trace levels



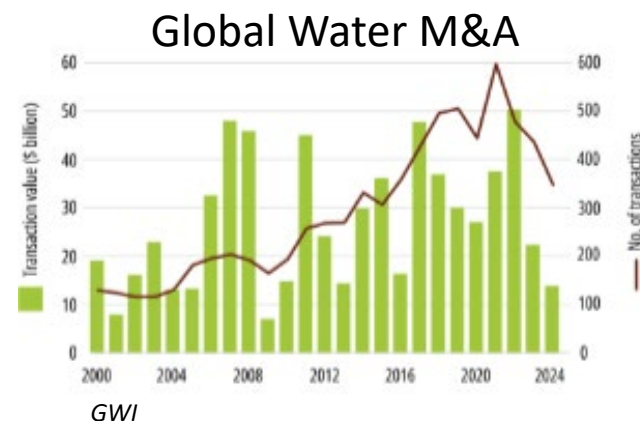
## **Water Unicorns**

'23  **gradient**

'25  **GI Water as a Service**

# M&A Environment

- **First half of 2025 saw ~\$12.5b in M&A deal value**
  - 2024 was the poorest year in M&A for the last 15 years
- **H125 saw 71 water deals, down from 202 in H124**
- **Steady stream of profitable exits involving PEs monetizing multi-year build-and-buy strategies**
- **Uptick of continuation funds (Vessco and Waterialia)**
- **Interesting Transactions:**
  - 12/24 ACIPCO / C&B Piping
  - 1/25 Badger's / SmartCover
  - 3/25 Wind Point Partners / SIGMA Corporation
  - 4/25 Goldman's / Atlas-SSI
  - 5/25 EQT's / Seven Seas
  - 8/25 Grundfos / Newterra
  - 8/25 Western Midstream / Aris Water Solutions
- **Interesting situations to watch**
  - Thames Water (UK)
  - Dupont retaining its water business
  - AI/Data centers
  - Corporate Divestitures



## Positive Market Tailwinds

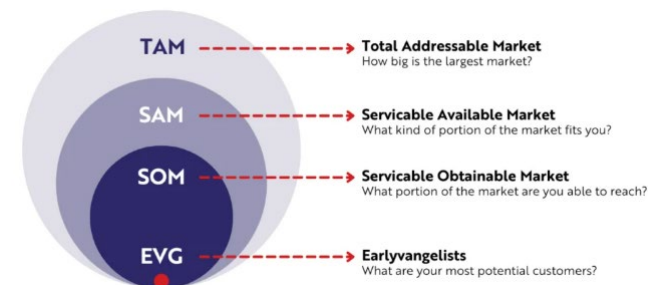
- Stabilization of monetary policy, with recent interest rate cuts providing clearer parameters for deal financing
- Enhanced regulatory clarity across key markets
- Gradual narrowing of buyer-seller valuation gaps
- Continual emergence of new technologies is catalyzing innovation-focused M&A activity, as companies seek to acquire capabilities that address evolving water management challenges.

# Planning Ahead

- **Strategic planning – attempt to objectively assess the company’s strengths and weakness and develop a plan to build on its strengths and address its weaknesses.**
- **Start talking to investment bankers on an informal basis.**
  - Can provide insights on the current funding and/or M&A market environment
  - Can provide a preliminary view of value based on current market conditions (valuations can differ dramatically based on industry sector and company size)
  - Discuss the different types of eventual partners (e.g., financial vs. strategic)
  - Identify ways in which the company may be able enhance value in the interim
- **Develop your concept of how best to tell the company’s story and articulate its strategy / growth opportunities to prospective investors or acquirers.**
  - Know your target market sizes (TAM, SAM, SOM, EVG)
  - Pursue a modeled activity approach
- **We believe that company owners exploring a transaction can achieve maximum benefit in their choice of an advisory partner by adopting a “best in breed” approach, valuing specialized know-how and sector experience.**



*Water Pipe in Philadelphia 2017*



# Accessing Options: Partner Characteristics

**The characteristics of the business and the goals of the owners will directly influence the type of partner that is most appropriate.**

## What the Business Needs

- Attractive growth trends and opportunities.
- Favorable industry dynamics.
- Product that provides a performance advantage / defensible competitive advantage.
- Proprietary technology, patents, or other intellectual property.
- Strong management team.
- Installed product base.
- Real revenues; ideally cash flow positive.
- Achievable business plan.
- Realistic value expectations.

Must also be clear about goals:

- Complete exit, or just reaching next stage?
- Raising capital for business expansion, or taking money off the table?
- Just need capital, or channels to market?

## Financial Partners / Family Office

- Have significant capital to put to work.
- Have found limited sector opportunities (size & profitability criteria, time frames).
- Are becoming more open to providing “growth capital” in place of full buyouts.
- Knowledgeable funds can bring excellent support to growing companies where owners not seeking a full exit.
- Many are not venture players.

## Strategic Partners

- Have significant cash available for acquisitions at present.
- May seek acquisitions to augment slower organic growth, complete product lines.
- Can offer the market penetration that small companies will struggle to achieve.
- Strategic sale (or even partnership) brings major change in company climate.

# Success Story

EOSI was an early participant in WaterVent and leveraged the event to help successfully navigate its funding needs and revenue build. Today they are part of a Best-in-Class nutrient removal platform that is garnering significant attention from the market.

2003 - 2016



2017



2019



2019



2020 - 2025



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