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Perspectives on the Water Management Landscape

White Paper

September 2025

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Executive summary

- Water management is one of the **defining infrastructure priorities** of the coming decades. Across municipal, industrial, commercial, and agricultural sectors, reliable access to clean water, together with the safe treatment and reuse of wastewater, has emerged as a critical enabler of **economic growth**, **public health**, and **environmental resilience**
- In our view, the demand for advanced water solutions is entering a sustained growth cycle as public and private operators confront:
  - **stricter regulations** around nutrient discharge, reuse standards, and contaminant removal
  - **decades-old infrastructure** that requires modernization and digital integration
  - growing **water scarcity** and increasing **unpredictable availability** in water supply
- At the same time, the competitive landscape is shifting:
  - **new technologies** such as UV disinfection and smart metering are raising performance expectations
  - public funding, including **large water infrastructure investments**, is accelerating project pipelines
  - end users increasingly expect **integrated solutions** that combine treatment equipment, digital monitoring, and ongoing services
- We believe, this is creating significant opportunities for companies with **specialized technologies**, **aftermarket** capabilities, and **integrated solutions** across critical water value chains. We expect well-positioned businesses to benefit from a **secular tailwind** of infrastructure investment and heightened focus on sustainable water management
- Cogenuity is actively seeking to invest in and partner with **niche leaders** providing the systems, components, and services that will enable more **efficient, resilient, and compliant** water infrastructure in the years ahead

Why this topic matters to us

We are an industry-focused private equity group investing in businesses that provide critical products and services across the advanced industrial economy. We have significant experience investing and operating across the water management landscape and have developed this white paper to share our perspectives on trends shaping the sector

About Cogenuity Partners:

We bring **Collaboration and Ingenuity** to partner with management teams to **build advanced industrial businesses.**

We are more than simply a source of capital – we are collaborative investment and operating partners with decades of relevant experience across the advanced industrial market.

Our Cogenuity **Collaborative Operations (CoOp) Program™** is a **multi-phased, growth-oriented resource** that combines sector experience, hands-on resources, and strategic networks to help management teams achieve their strategies.

Our Strategy:

- Collaborative partnership
- Customized approach to growing and transforming businesses
- Investing in people, equipment, and systems
- Pursuing organic expansion and high-impact acquisitions

Water Management – How We Can Help

We combine deep industrial experience with active capital to scale businesses serving critical sectors of the advanced industrial economy. Our team members have meaningful experience in investing and operating across water management and infrastructure businesses.

1. **Strategic sectors:** industrial wastewater, municipal / commercial facilities
2. **Critical solutions:** advanced treatment systems and infrastructure services
3. **Value creation:** pricing power, organic growth, and operational excellence

Our edge: embedded partnerships, operational playbooks, and flexible capital to grow niche leaders.

Let's build the future of water management – together!

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What is Water Management?

Water and Water Management

Water is the basis of all life and a critical input for human health, industrial production, agriculture, and energy. Within the scope of water management, we typically consider four primary categories of water use and flow: **potable water**, **process water**, **wastewater**, **runoff water**

Water Management encompasses the complete lifecycle of activities, facilities, products, technologies, and services that ensure water is effectively sourced, treated, distributed, reused, and safely discharged. It typically includes the following value-adding processes:

- Treatment & Purification
- Distribution & Storage
- Use & Monitoring
- Wastewater Treatment
- Reuse & Recycling
- Discharge & Compliance

Key Segments

Municipal

Cities, towns, and public utilities responsible for treating and distributing drinking water, managing sewer systems, and complying with environmental regulations

Industrial

Manufacturers, energy producers, and process industries that require specialized treatment of process water, cooling water, and wastewater effluent

Commercial & Institutional

Facilities like hospitals, universities, data centers, and commercial buildings that need reliable water supply, treatment, and reuse systems

Agricultural & Rural

Farms and rural communities value high water (re-)use efficiency such as decentralized or packaged irrigation systems, livestock operations, and potable water supply

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Source: Unite Nations Water. WHO. US Environmental Protection Agency

Water Management Market Development

Secular Tailwinds Drive …

Population Growth & Urbanization. Increasing demand strains existing capacity and creates new project needs

Aging Infrastructure. Many of the developed world's treatment and distribution systems, built 40–50 years ago, now require renewal, recertification, or augmentation

Quality Standards. Stricter safety and quality requirements drive demand for advanced treatment and monitoring solutions in potable and process water

Scarcity. Climate change and overuse are driving demand for reuse, desalination, and conservation technologies

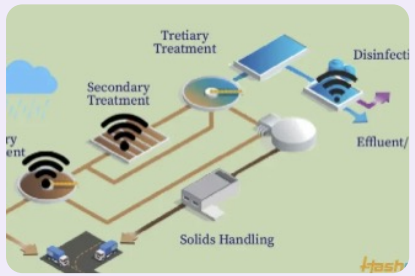
Regulatory Pressure. Tighter standards and policies, such as nutrient regulations, updated discharge limits, and the Safe Drinking Water Act, are accelerating investments in water management

Strong Market Growth[1] …

$346B Global water and wastewater treatment market (2024) × **7.5%** Compound Annual Growth Rate (CAGR, 24'-32') = **$618B** Global water and wastewater treatment market (2032) → **$315B** US Share in the global market (2032)

… and Key Industry Trends

Modular & **Decentralized** systems

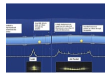


Digitalization & **Smart Monitoring**

Water **Reuse** & **Recycling**

(1) Source: Raymond James. Fortune Business Insights. Grand View Research. Verified Market Research. Industry articles

Overview of Selected Segments

	Municipal	Industrial	Commercial & Institutional	Agricultural & Rural
Examples	City water utilities, regional wastewater authorities, public water districts	Chemical manufacturers, refineries, food and beverage plants, semiconductor fabs	Hospitals, universities, office complexes, hotels, data centers	Farms, ranches, rural communities, aquaculture facilities
Typical Challenges	Aging infrastructure, strict regulatory requirements, capacity constraints, and rising public expectations	High-purity water needs, complex wastewater, increasing discharge costs, and environmental pressures	Safe potable water supply, pathogen control, variable demand, and sustainability targets	Limited infrastructure, seasonal scarcity, and contaminant removal needs
Solutions	Reliable, compliant treatment systems that integrate with existing infrastructure and operate efficiently long-term	Custom-engineered, high-efficiency systems with process reuse and compact designs for retrofit installations	Modular, automated systems with high uptime and compliance with health regulations	Decentralized, easy-to-maintain systems that enable reliable treatment, storage, and reuse
Products & Services	**Treatment Infrastructure**  Centralized treatment plants  Membrane bioreactors  Chemical dosing system **Monitoring & Control**  SCADA monitoring systems  Smart water meters  Leak detection networks	**Process Water Systems**  Dissolved air flotation units  Ion exchange / demineraliz.  Zero Liquid Discharge (ZLD) plants **Efficiency & Compliance**  Wastewater reuse skids  Automated discharge monitoring  Compliance reporting	**Quality & Safety**  UV disinfection systems  Greywater recycling units  Legionella control solutions **Operations Optimization**  Cooling tower treatment  Smart plumbing controls  Facility water management dashboards	**Decentralization Treatment**  Package treatment plants  Constructed wetlands  Lagoon treatment systems **Irrigation & Reuse**  Irrigation filtration units  Drip irrigation controls  Water storage and reuse tanks

Source: Aqua Clear. Waterscan. Crane Engineering. In-Situ. Aquatic Informatics. Aguapuro. King Heating. Lumo. TruClear. Ovivo. Aquasana. Samco. Industry articles

Segment View (1/4) - Municipal

Municipal Water Management

Municipal water management refers to the sourcing, treatment, distribution, reuse, and discharge of water by **public utilities**, **cities**, and **regional authorities**

This segment includes **drinking water utilities**, **wastewater treatment plants**, and **regional sewer districts**

55%
of the total global water management market

4-5% CAGR[2]
estimated near / mid-term growth

Stricter water quality regulations

Population growth & urbanization

Aging water and sewer infrastructure

Illustrative Case in Point

Background

Many municipal wastewater plants built in the 1970s use basic secondary treatment that removes organic matter but not **nitrogen**, **phosphorus**, or emerging **contaminants**. Aging equipment and inefficient aeration drive **high energy costs** and **limited capacity**

Approach

A typical upgrade **retrofits** tanks with **biological nutrient removal zones**, replaces old coarse bubble aeration with fine **bubble diffusers** or **compressed gas mixing**, and installs automated controls to optimize dissolved oxygen. These improvements often fit within the existing plant footprint, minimizing additional work

Outcome

Upgrades help plants meet **stricter discharge permits** (e.g., <3 mg/L nitrogen), cut **aeration energy**, and expand **water capacity**

Influent flow equalization tanks[1]

Typical products and services

- Advanced Membrane Filtration Systems
- Aeration and Mixing Systems
- Smart Metering and Leak Detection

Key Takeaways

- The municipal water management sector benefits from **steady**, **non-discretionary** demand driven by stricter regulations, aging infrastructure, and sustained funding for upgrades.
- Value capture depends on solutions that **lower operating costs** and **maintain asset life**, especially in energy-intensive processes like aeration and filtration
- We see strong potential in **modular systems**, **recurring lifecycle services**, and **digital monitoring platforms** that help utilities meet evolving standards and sustainability goals

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Image credit: North Regional Water Reclamation Facility, Manatee County, Florida
(1) Source: Bluefield Research; Veolia; Fortune Business Insights; Burns & McDonnell; industry articles
(2) Source: Data Insights Market, 2023. Municipal Water Treatment Market Report. 4.2% CAGR (2023–2033)

Segment View (2/4) - Industrial

Industrial Water Management

Industrial water management covers the treatment, distribution, reuse, and discharge of water used in **manufacturing**, **energy production**, and other **industrial processes**

This segment includes **semiconductor**, **electronics manufacturers** and **heavy industries**, as well as **chemical**, **refining**, and **food and beverage producers**

25%
of the total global water management market

5-6% CAGR[2]
estimated near / mid-term growth

Stricter discharge regulations

Process water reuse & efficiency demands

Growth in high water-intensity industries

Illustrative Case in Point

Background

Industrial plants often operate with **outdated water treatment** systems that were designed for less demanding standards. As **regulations tighten**, many facilities face challenges including **excessive water consumption** and variability of **effluent quality**

Approach

Upgrades typically combine **UV disinfection units**, smart metering, and **greywater recycling systems** to improve safety, reduce usage, and meet sustainability goals. Facilities also adopt **continuous digital monitoring** to track water quality in real time and ensure compliance

Outcome

These improvements help plants comply with stricter discharge limits, **reduce freshwater use** and **lower operating costs**

Chemical Process Skids[1]

Typical products and services

- Advanced Membrane Filtration Systems
- Aeration and Mixing Systems
- Smart Metering and Leak Detection

Key Takeaways

- The industrial water management sector is experiencing robust growth, driven by **stricter discharge regulations** and **essential water reuse requirements** across industrial businesses
- Growth depends on providing **critical, high-efficiency treatment solutions** that reduce consumption and costs in critical operations
- We see compelling opportunities in **advanced filtration, zero liquid discharge systems,** and **digital monitoring platforms,** which have become essential for industries striving to meet regulatory targets and strengthen operational resilience

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Image credit: Carotek
(1) Source: Bluefield Research; Global Water Intelligence; World Bank Group; Aquatech; Veolia; Hydromax USA; Kurita; industry articles
(2) Source: Future Market Insights, 2024. Industrial Water Treatment Market Report. Projected ~5.1% CAGR (2025–2035)

Segment View (3/4) – Commercial & Inst.

Commercial & Institutional Water Management

Commercial and institutional water management focuses on water management in facilities that serve **public** and **commercial purposes**, including **healthcare**, **education**, and **businesses**

This segment includes **hospitals** and **medical campuses**, **universities** and **schools**, **hotels** and **resorts**, and **office buildings**

8-10%
of the total global water management market

5-6% CAGR[2]
estimated near / mid-term growth

Stringent health and safety regulations

Water conservation targets

Rising demand for resilient, critical facilities

Illustrative Case in Point

Background

Many commercial buildings and healthcare facilities with old water systems can lead to **pathogen risks** (e.g., Legionella), **inconsistent water quality**, and **excessive consumption**, especially in high-occupancy environments such as large hospitals or campuses

Approach

To address these issues, companies deploy **chemical treatment skids**, combined with **real-time monitoring** and control technologies. **Modular designs** allow upgrades to be installed alongside existing infrastructure with limited operational downtime

Outcome

These improvements help facilities meet **stricter health regulations**, lower **water consumption**, and improve **operational reliability**

UV disinfection systems[1]

Typical products and services

- UV Disinfection Systems
- Greywater Recycling Systems
- Cooling Treatment Chemicals & Services

Key Takeaways

- The commercial and institutional water management sector is seeing **steady growth**, driven by **stricter health regulations** and **rising demand for reliability in critical facilities**
- Growth lies in delivering **essential solutions** that secure **safety compliance** and provide **water quality transparency** through digital monitoring
- We see attractive opportunities in **integrated water reuse systems**, **advanced metering**, and **smart disinfection technologies** and that help operators achieve quality goals efficiently and reduce lifecycle costs

Image credit: UV disinfection systems (Orenco)
(1) Source: WHO; Frost & Sullivan; US EPA; Trojan; Atlantium; Rewater; Nalco Water; industry articles
(2) Source: Transparency Market Research, 2023. Industrial Wastewater Treatment Equipment Market Report. Projected ~5.3% CAGR (2022–2031)

Segment View (4/4) – Agricultural

Agricultural Water Management

Agricultural water management focuses on the water management for **irrigation**, **crop management, livestock operations**, and **rural communities**

This segment includes **farms**, **ranches**, **greenhouses**, **aquaculture facilities**, and **agricultural** cooperatives that depend on reliable, efficient water systems

5-6%
of the total global water management market

3-4% CAGR[2]
estimated near / mid-term growth

Water scarcity and drought resilience

Irrigation efficiency demand

Runoff & nutrient discharge regulations

Illustrative Case in Point

Background

Agricultural operations often rely on **basic storage ponds** and **unmonitored runoff systems**, which can result in **contaminated discharge**, **wasted water**, and **regulatory non-compliance**. Aging infrastructure often lacks the capability to capture, treat, and reuse water effectively

Approach

Typical improvements include installing on-site treatment systems for **wastewater from fertilizer**, **pesticides**, and **livestock**, adding **stormwater collection** and **filtration** infrastructure, and implementing **monitoring** technology to track water quality and usage

Outcome

These upgrades help farms **reduce freshwater withdrawals** and improve **runoff quality** to create more resilient water supplies

Rainstor Rainwater Harvesting[1]

Typical products and services

- On-Farm Water Recycling Systems
- Rainwater Harvesting & Storage Solutions
- Decentralized Wastewater Treatment

Key Takeaways

- Agricultural water management is becoming increasingly critical as farms face growing **water scarcity** and **stricter runoff regulations**
- Success in this segment depends on delivering critical solutions that **limit water losses**, enhance **runoff management**, and enable reliable **water treatment** and **reuse**
- We see compelling potential in **advanced filtration**, **decentralized treatment** systems (large ranches), **on-farm water recycling** systems that help agricultural operators improve cost management and compliance

Image credit: Rainstor Rainwater Harvesting system

(1) Source: UN FAO; World Bank Group; UNESCO; U.S. EPA; U.S. Department of Agriculture; industry articles

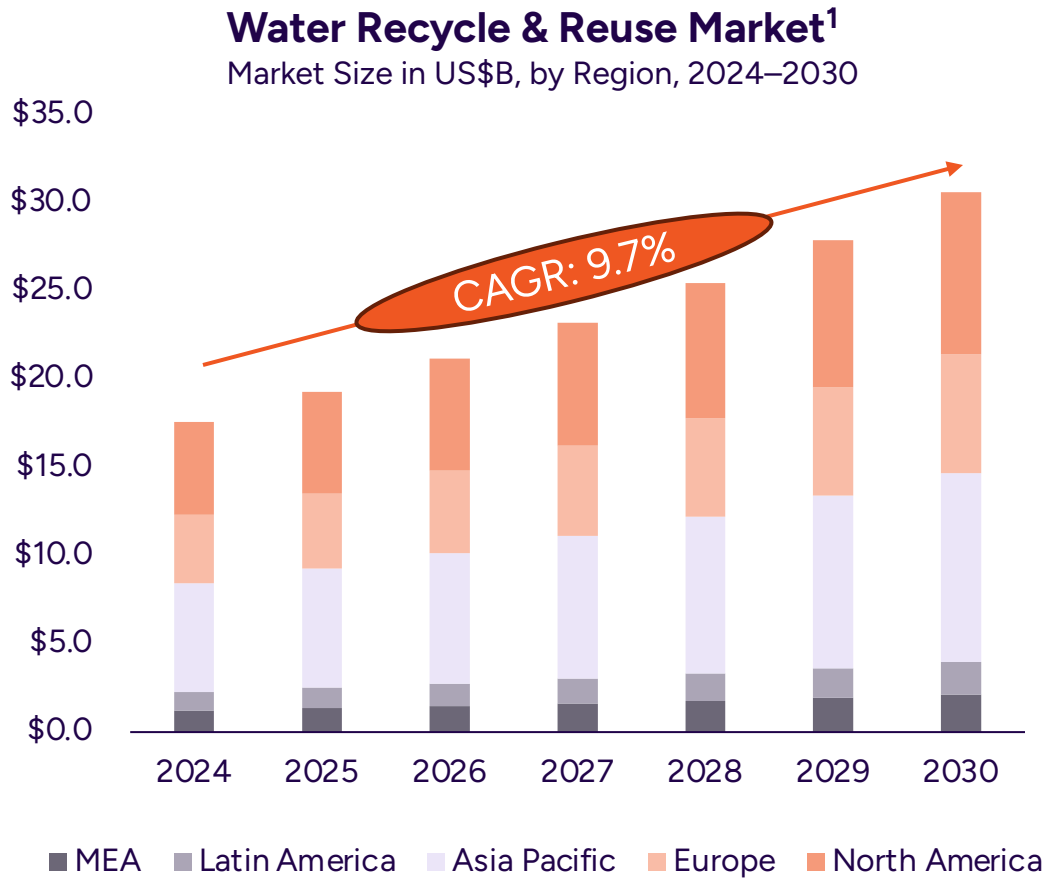
(2) Source: IMARC Group, 2025. Agricultural Wastewater Treatment Market Report. Projected ~3.2% CAGR (2025–2033)

Trends (1/3) – Water Scarcity and Reuse

Increasing Severe Water Scarcity ....

- **3 out of 4** people worldwide could face drought impacts by 2050
- **31%** of global GDP will be exposed to high water stress by 2050
- **29%** more frequent and longer droughts have occurred globally since 2000
- **40** of 50 state water managers expect shortages in their states under average conditions in the future

... Drives Global Water Reuse Demand



(1) Grand View Research
Source: United Nations. UN for Disaster Risk Reduction. World Resources Institute. US Government Accountability Office. Grand View Research. Industry articles

Trends (2/3) – Aging Water Infrastructure

Frequent Failures and Breaks
Aging water mains and sewers often leak or burst, causing water loss and service disruptions

Boston water main break (2024)

Escalating Maintenance Costs
Repair costs of aging systems rise exponentially, and patchwork fixes often fail to address underlying decay

Rising water maintenance costs in US and Canada (2024)

Capacity Limitations
Older infrastructure often can't handle today's population growth, urban density, and industrial loads

Jackson (MS) Water crisis, 150k residents impacted (2022)

Efficiency and Sustainability Gaps
Older assets consume more energy, waste more water, and underperform compared to modern alternatives

Water waste in England (2024)

Average Global Water Infrastructures

53 years (US / Canada)

40 years (Spain)

40+ years[1] (Japan)

*Average water infrastructure life span is estimated between 50 and 80 years

Infrastructure Investment and Jobs Act (2021)

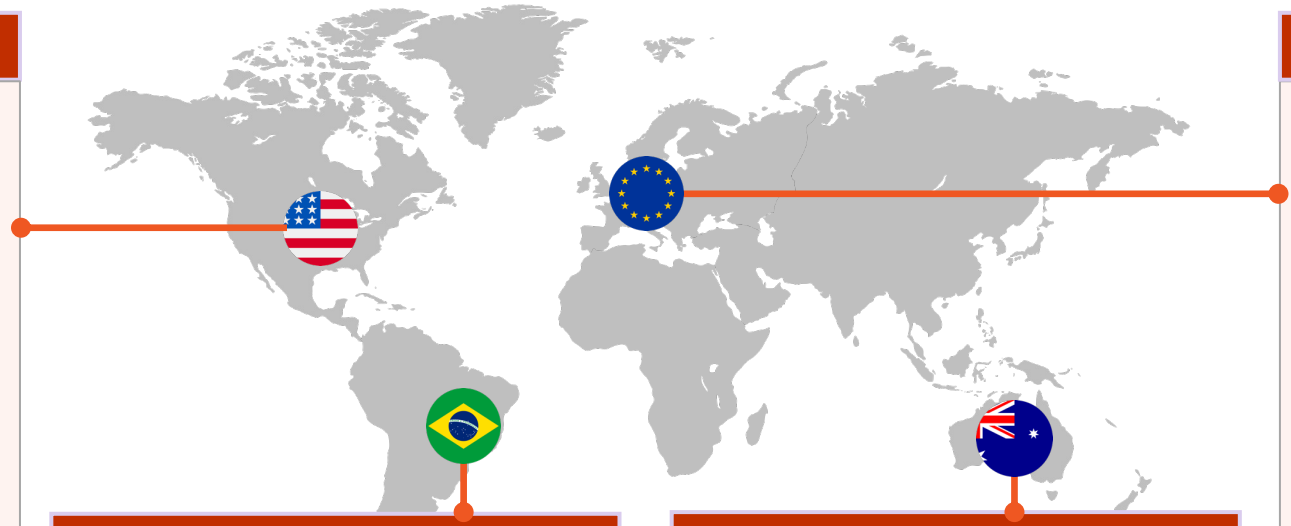
Passed by Congress, the **Bipartisan Infrastructure Law (IIJA)** represents the largest federal investment in U.S. water infrastructure, dedicating over **$50 billion** to replace **aging systems**, remove **lead pipes**, and improve drinking water quality and wastewater treatment, modernizing critical infrastructure and ensuring safe, reliable water for communities[2]

(1) ~20% of pipes (2025), ~70% projected by 2042 (2) In early 2025, related grants were frozen, though a federal court later ordered the funds to be released
Source: US Congress. US Environmental Protection Agency. American Society of Civil Engineers. The Guardian. Statista. IPEX Piping Systems. Politico. Industry articles

Trends (3/3) – Policies and Regulations

United States

- April 2024: EPA[1] set enforceable **PFAS[2] limits** (4–10 ppt) for six compounds, requiring monitoring by 2027 and treatment by 2029, backed by $1B in funding
- Oct 2021: EPA revised the **Lead and Copper Rule** to mandate inventories, more testing (including schools), faster pipe replacement, and more public disclosure
- Since 2021: EPA has ramped up **enforcement** of **Clean Water Act violations**, targeting PFAS, nutrients, illegal discharges, and repeat offenders, with record penalties



Brazil

- July 2020, Brazil passed Law No. 14,026, empowering the National Water and Basic Sanitation Agency (ANA) to set **binding standards** on service quality, **water loss reduction**, and universal access targets to **modernize** and **expand** the country's **sanitation** services

Australia

- March 2025, Australia's Commonwealth Government released PFAS NEMP 3.0, expanding guidance on managing **PFAS** in **biosolids**, **wastewater**, and **contaminated sites**, with NSW EPA adopting a phased implementation approach

European Union

- June 2025: The European Commission launched the **Water Resilience Strategy** to boost drought and flood preparedness, improve water efficiency across **agriculture**, **industry**, and **public infrastructure**, invest €78B annually, promote reuse and digital tools, and strengthen enforcement
- Oct 2022: The Commission proposed revising the Urban Wastewater Treatment Directive to require stricter **nutrient** and **micro-pollutant removal**, energy neutrality by 2040, broader coverage, and better **monitoring** in line with the European Green Deal

We see **urgent**, **critical** challenges in water infrastructure worldwide, not just in the US. At the same time, this represents **significant opportunities** for both **value** creation and positive **impact**!

(1) United States Environmental Protection Agency (2) Per- and Polyfluoroalkyl Substances
Source: US Environmental Protection Agency. European Commission. Brazil President Office. Australian Government Department of Climate Change, Energy, Environment and Water. Grand View Research

Water Management Value Chain

1. Sourcing

Abstraction of raw water from natural or engineered sources (rivers, lakes, wells, desalination)

Market dynamics: Localized market led by large engineering firms and suppliers, with control concentrated in regional utilities

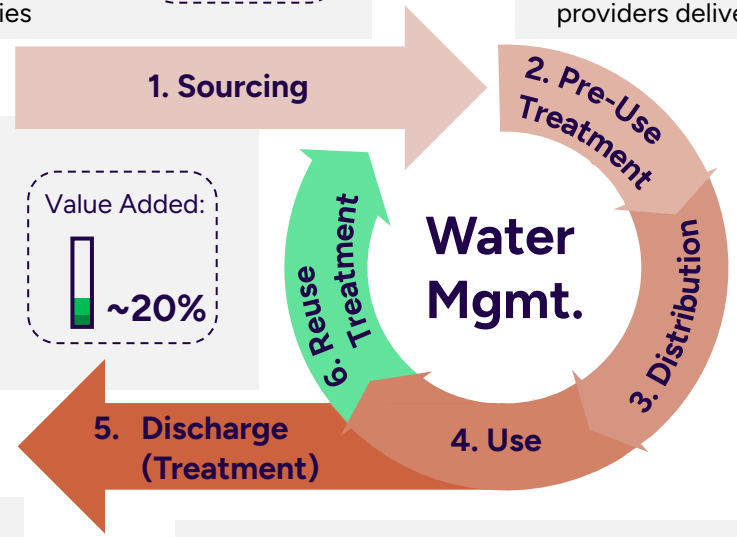
Value Added: ~15%

2. Pre-Use Treatment

Processes to make water suitable for its intended purpose (drinking, process, irrigation)

Market dynamics: Highly competitive, with global leaders and niche providers delivering equipment, chemicals, and turnkey solutions

Value Added: ~25%



6. Reuse Treatment

Additional treatment of wastewater or greywater for reuse in non-potable or potable applications

Market dynamics: Fast-growing segment where advanced treatment specialists compete to enable recycling and reduce freshwater demand

Value Added: ~20%

3. Distribution

Transport and storage of treated water to end users via pipelines, pumps, and tanks

Market dynamics: Dominated by established pipe, pump, and metering companies, with contracts typically awarded through public tenders

Value Added: ~20%

5. Discharge Treatment

Final treatment to meet environmental standards before releasing water back into nature

Market dynamics: Mature market of established players providing nutrient removal, disinfection, and sludge management systems

Value Added: ~20%

4. Use

Consumption in municipal, commercial, industrial, or agricultural applications

Market dynamics: Fragmented landscape of equipment suppliers and facility managers, increasingly adopting digital monitoring and efficiency tools

Value Added: various

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Source: Industry articles. Cogenuity analysis

Water Management Value Chain
Municipal

	Major Stakeholders	Typical Products	Typical Services	Market Dynamics
1. Sourcing	City water utility companies, public water districts	Intake pumps, raw water pipelines, intake screens	Feasibility studies, hydrological assessments, permitting support	Highly regulated procurement, often bundled with engineering contracts
2. Pre-use treatment	Municipal treatment plant operators	Rapid sand filters, **UV disinfection**, **membrane systems**	System integration, operator training, **performance validation** and **certification**	Compliance-driven, mix of accommodated and specialized products
3. Distribution	Utility operators	Large-diameter pipelines, booster pumps, **smart meters**, valves	Pipeline integrity monitoring, asset management services, leak detection surveys	Aging infrastructure requires upgrades; procurement often via public tenders
4. Use	Residents, end consumers, local businesses	**Water monitoring systems**, facility specific devices	Customer billing services, **remote monitoring**, **consumption analytics**	Cost sensitivity, regulatory oversight on prices
5. Discharge	Users and wastewater treatment plant operators	**Biological nutrient removal**, **sludge dewatering**	Maintenance contracts, **compliance consulting** and reporting	Compliance-driven, mix of global companies and local contractors, increasing funding
6. Reuse	Users and reuse facility operators	**Tertiary filtration**, **UV** and **ozone disinfection**, **advanced oxidation**	Reuse project design, **retrofit installation**, **reclaimed water quality certification**	Specialized providers, fast-growing due to water scarcity mandates

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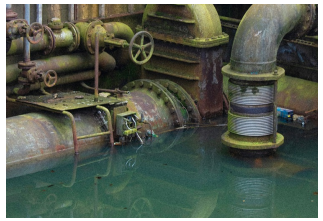
Source: Industry articles. Cogenuity analysis

Critical, high value products / services

Water Management Value Chain
Industrial



	Major Stakeholders	Typical Products	Typical Services	Market Dynamics
1. Sourcing	Plant engineering team, envir. / health / safety authority	Well pumps, intake screens, **desalination skids**	Source / location selection services, regulatory permitting	Often privately financed, cost-driven decisions
2. Pre-use treatment	Production / process managers	**Water softening units**, **demineralizers**, **reverse osmosis**, **chemical dosing** systems	Water **quality analysis**, water system engineering, system performance validation	Specialized, high-margin systems tailored to process requirements
3. Distribution	Plant utility operators and maintenance teams	High-pressure pumps, closed-loop piping, recirculation systems	Retrofit and upgrade projects, flow balancing services	Fragmented vendor base, growing emphasis on efficiency
4. Use	Production lines, cooling towers & boilers operators	**High-purity water dispensers**, heat exchangers, industry-specific process devices	Operational optimization, predictive maintenance	Embedded into production uptime, high switching costs
5. Discharge	Plant operating team, environment / health / safety authority or NGOs	**pH neutralization** systems, **dissolved air flotation**, **biological treatment**	Sludge handling, **discharge compliance audits** or **certifications**	Heavily regulated / compliance-driven, substantial penalties for violations
6. Reuse	Compliance authorities, water facility operations	**Zero liquid discharge (ZLD) systems**, **membrane bioreactors**	Design and build, **performance monitoring**, **treated water certification**	Rapid growth and investments as companies pursue compliance commitments

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Source: Industry articles. Cogenuity analysis

Critical, high value products / services

Water Management Value Chain
Commercial & Institutional

	Major Stakeholders	Typical Products	Typical Services	Market Dynamics
1. Sourcing	Facility operators & managers	Municipal connections, in-building backup storage wells	Source adequacy design & (pre-)assessments	Water sourcing typically municipal-supplied, strong public sector involvement
2. Pre-use treatment	Building engineers and operators	**UV disinfection**, carbon filtration, **water softening** devices	**Legionella risk assessment**, system installation, system **safety certification**	Driven by health and safety regulations with high liability risk, high spec (e.g., hospital)
3. Distribution	Facility operating and maintenance teams	Booster pumps, circulation loops, smart meters	Feasibility certification, **leak detection services**, flow balancing / maintenance	Aging systems-driven renewal, high reliability requirements, compliance requirements
4. Use	Facility operators, commercial tenants, visitors	Water coolers, point-of-use filters, bottle filling stations, ice machines	**Consumption monitoring**, efficiency & conservation services	Rising expectations for sustainability, high safety standard
5. Discharge	Facilities, environmental / health / safety authorities	**Grease interceptors**, **treatment skids**	**Scheduled maintenance**, **compliance reporting** & **certification**	Increasing regulatory & compliance pressure, long-year contracts
6. Reuse	Internal compliance teams, external solution providers, local authorities	**Greywater recycling**, rainwater harvesting	**Design and construction services**, water reuse consulting and certification	Increasing sustainability requirements, fragmented providers

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Source: Industry articles. Cogenuity analysis

Critical, high value products / services

Water Management Value Chain
Agricultural

	Major Stakeholders	Typical Products	Typical Services	Market Dynamics
1. Sourcing	Farm owners, local communities	Wells, canals, storage ponds	Pump sizing consulting, **permitting assistance**	Highly cost-sensitive, often subsidized; localized services
2. Pre-use treatment	Irrigation system operators	**Filtration screens**, sand separators	**Irrigation water quality testing**, **system retrofits**	Basic solutions prevail; low price tolerance
3. Distribution	Facility operators or farm owners (if small-scaled)	Pumps, drip irrigation networks	System installation, efficiency assessments	Fragmented, localized commodity hardware
4. Use	Farm owners (growers, ranchers, etc.)	Irrigation emitters, livestock watering stations	Scheduling optimization, system inspection	Water scarcity drives pricing. Users often cost-sensitive
5. Discharge	Municipal or community environmental compliance authorities	Runoff ponds, constructed wetlands	**Wastewater monitoring**, **discharge compliance sampling and certification**	Regulatory scrutiny increasing, driving post-use water treatment
6. Reuse	Local sustainability program managers	**Recycled irrigation systems**, stormwater reuse devices	Water reuse system installation, **reclaimed water certification**	Early-stage adoption; varying, regional interests depending on local water context

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Source: Industry articles. Cogenuity analysis

Critical, high value products / services

Perspectives from Industry Experts

Lukas Loeffler
APX10
Managing Partner

"Water scarcity is the single greatest driver of change in this industry. Crisis has always been the catalyst for innovation, and it demands new thinking and bold approaches. Years ago, I worked on a Siemens project in Singapore that converted sewer water to potable water in one step. The reality is we will all be drinking recycled water - it's the only way to meet the growing thirst of industry. The leaders will need to prove reliability at scale, make the economics work at the plant level, and be transparent with the public about quality and monitoring so adoption is both swift and trusted."

Nicole Richards
Allonnia
CEO

"From a U.S. perspective, PFAS removal in the next four years will be determined more by state and local action than by federal mandates. Politics have slowed federal decision-making, so local governments are taking the lead in demanding clean water for their people. This has created a significant rise in treatment needs and adoption of new technologies. Without consistent federal standards, however, there is no true democracy of clean water and access remains uneven depending on where you live."

Dr. Mirka Wilderer
AqueoUS Vets
President & CEO

"The water sector is the taillight of innovation - slow moving and deeply risk averse. Core processes like sand filtration have been around for thousands of years, and even 'new' technologies are often decades old. It can take 20 years for solutions to gain traction because customers prize reliability above all else. You cannot win an election or secure your job for an outstanding water system – you can only lose it in case of issues with water quality. As a result, customers are seeking peace of mind and have a compliance, not an innovation mindset."

Confidential Industry Expert
PE Advisor/Consultant
20+ years in the industry

"The water industry continues to show strong growth and profitability, driven by strong macroeconomic conditions, including water scarcity, aging infrastructure, and rising demand for treatment solutions. There is continued investment in utilities, infrastructure rehabilitation, and water scarcity mitigation, with capital flowing into both traditional and advanced technologies. Companies are developing engineered products, digital smart solutions, & recurring service offerings to cater to this segment. The projected average growth for various water segments remains strong, ranging from 4 to 7%."

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Source: Cogenuity network

Selected Public Companies Overview[1]

	Description	EV	Market Cap	Revenue	EBITDA	EBITDA Margin	EV/EBITDA Multiple
Xylem Inc.	US water tech company providing end-to-end solutions in treatment, distribution, and digital analytics	$35.7B	$34.5B	$8.7B	$1.7B	19.9%	20.5x
CNH Industrial	US machinery company supplying irrigation and agricultural water equipment for farms and rural infrastructure	$38.9B	$13.6B	$18.1B	$3.2B	17.5%	12.3x
Ecolab Inc.	US industrial services company delivering water treatment chemicals and management services	$83.8B	$76.8B	$15.7B	$3.9B	24.7%	21.6x
DuPont de Nemours, Inc.	US specialty materials company producing advanced filtration membranes and separation technologies	$38.1B	$32.3B	$12.6	$2.0B	15.6%	19.4x
Alfa Laval AB	Swedish engineering company providing fluid handling systems used in water and wastewater processes	$20.1B	$19.3B	$6.5B	$1.3B	19.2%	16.1x
Halma plc	UK safety and environmental technology company supplying water sensors and monitoring solutions	$17.7B	$17.0B	$2.9B	$677M	23.6%	26.2x
Veralto Corporation	US water instrumentation and analytics company focused on filtration, monitoring, and treatment technologies	$27.9B	$26.8B	$5.4B	$1.3B	24.7%	21.0x
Graco Inc.	US equipment manufacturer specializing in fluid handling and dosing systems for water treatment applications	$13.6B	$14.0B	$2.2B	$696M	32.1%	19.5x
AECOM	US firm delivering planning, design, and construction services for municipal water infrastructure	$18.4B	$16.9B	$16.1B	$1.2B	7.5%	15.2x
Kurita Water Industries Ltd.	Japanese water treatment company providing chemicals, equipment, and services for industrial and municipal water and wastewater management	$4.1B	$3.8B	$2.7B	$564M	21.1%	7.3x

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(1) All figures are LTM (Revenue, EBITDA, EBITDA Margin, EV/EBITDA Multiple) as of 9/15/2025 per PitchBook
Source: Raymond James Water Quarterly (Winter 2024/25 edition). Company websites. Industry articles

Select Industry Transactions

Date	Buyer / Investors	Target	Target Description	Estimated Transaction Value
12/3/2024	Aquarion Water Company	Municipal Wastewater System of City of Ansonia, Connecticut	Municipal Wastewater System	$41M
11/1/2024	A.O. Smith	Pureit Business	Leading manufacturer of residential and commercial water heaters and boilers	$72M
9/24/2024	BluMetric Environmental	Gemini Water	Designs, builds, and installs large-scale desalination/wastewater treatment plants	$5M
7/15/2024	A. O. Smith India Water Products Private Limited	Pureit Business	Offers a range of water purification solutions	$120M
6/27/2024	CVC Capital Partners	M GROUP Services	Provides a variety of infrastructure services	$1,265M
6/26/2024	Hayward Holdings	Chlorking	Provider of water sanitization services	$63M
6/25/2024	Markel Group	Valor Environmental	Stormwater management and erosion control services	$160M
6/17/2024	BlueTriton Brands (nka:Primo Brands Corporation)	Primo Water Corporation	Provider of sustainable hydration services in the large format water sector	$4,997M
6/11/2024	Industrial and Financial Systems, IFS AB (publ)	Copperleaf Technologies	Provider of enterprise decision analytics software solutions	$622M
6/5/2024	NW Natural Water Company	Infrastructure Capital Holdings	Provider of water, wastewater and energy utility services	$34M
6/3/2024	Interpump Group	Alfa Valvole	Manufactures ball and trunnion valves and closing and metering pumps	$45M

Source: Raymond James Water Quarterly (Winter 2024/25 edition). Company websites. Industry articles

Industry M&A Activities - Evoqua (Xylem)

Xylem–Evoqua Transaction Overview

xylem
Let's Solve Water

Global leader in water technology, delivering equipment and digital systems for sourcing, treatment, reuse, and discharge across industries

EVOQUA
WATER TECHNOLOGIES

Leading water management provider for advanced treatment systems, water reuse, and outsourced services for municipal and industrial customers

Revenue	$ 1.8 billion (2022)	**Date**	January 23, 2023
Acquirer	Xylem (all-stock)	**Value**	$7.5 billion (2023)

Evoqua's Key Capabilities

Selected Products

Industrial Utility Feedwater Treatment

Wastewater Treatment

Selected Services

Digital Predictive Maintenance

Outsourced Asset Operations

Focus Segments

Municipal

Industrial

Strategic Rationale

Strengthened Advanced Treatment Capabilities
Added deep capabilities in industrial and municipal treatment, reuse, and emerging contaminant removal (e.g., PFAS)

Acceleration of Digital Solutions and Services
Enhanced Xylem's analytics platforms with Evoqua's remote monitoring, mobile services, and outsourced operations

Scale and Market Leadership
Created the largest pure-play water treatment provider, combining full-cycle solutions and expanding capacity and aftermarket reach

Cogenuity's Perspective

- The combined business is uniquely positioned as the **leading provider** of **integrated water solutions**, with scale and capabilities spanning advanced treatment, reuse, and digital infrastructure
- We see strong **tailwinds** supporting growth, including tightening regulations, the need to modernize aging systems, and rising customer demand for resilient, efficient water networks
- We see continued **value creation** potential in providing **end-to-end critical solutions** such as advanced treatment, smart networks, and aftermarket services to address aging infrastructure and water scarcity challenges

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Source: Evoqua, Xylem. Global Water Intelligence. Frost & Sullivan Water Industry Research. Industry articles

About Cogenuity Partners

Our team has over 100 years of combined private equity experience, including deep experience in critical products and services across the water management landscape

Our Team:

13 Investment and operating professionals

10+ Transactions within wastewater[1] & other infrastructure

Select Investment Criteria:

Revenue:	EBITDA:
$25-250M	$5-35M

1) Critical products & services
2) Experienced management teams
3) US or Canada headquarters
4) Strong revenue growth & margins

Our Philosophy:

We are **more than a source of capital** – we take **pride in our investment and operating partners** working side-by-side with experienced management teams, industry professionals, and advisors to execute on **value creation initiatives and seek to achieve attractive outcomes**

Water Management:

We are experienced investors and operators across the water management landscape:

- Multiple leading companies providing critical products and services across **water treatment, reuse,** and **discharge**
- Provider of **advanced treatment systems**, **digital solutions**, and **aftermarket** services supporting infrastructure resilience
- Deep experience **scaling businesses** addressing water scarcity, regulatory compliance, and sustainability challenges

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(1) 10+ transactions in the wastewater & other infrastructure space reflect deals Cogenuity team members executed or supported at prior firms and do not represent transactions completed by Cogenuity itself.
Note: Investment criteria is for illustrative purposes only. There can be no assurance Cogenuity will be able to implement its strategy with respect to any or all investments. Actual investment characteristics may vary materially in Cogenuity's discretion.