



**H2O
INSIGHTS**

The Water Strategy & Finance Consultancy

Providing Fresh Insights for Your Corporate and M&A Strategy



We are a strategy and finance consultancy
focused on the **water** industry
with 10+ years of industry experience.

Our purpose is to provide insightful views and
advice to **corporations, growth capital
investors, and private equity firms** looking to
strengthen an existing business, or develop or
acquire new businesses in the water sector.





We are your corporate development partner!

As your trusted partner, we perform high level and in-depth strategic and financial analysis to evaluate growth opportunities, organically and through acquisitions and partnerships.

We provide fresh market perspectives and an understanding of “what it takes to win” with the following service offerings.





Our Offerings



Corporate Strategy

- ❑ Develop new market strategies
- ❑ Explore market adjacencies
- ❑ Identify product gaps and perform competitive analysis
- ❑ Develop M&A funnel and rank targets



Mergers & Acquisitions

- ❑ Conduct commercial due diligence
- ❑ Perform market intelligence
- ❑ Assess post-acquisition synergies
- ❑ Create sensitivity models



Go-to-Market Strategy

- ❑ Perform in-depth market research, market sizing, and value stream mapping
- ❑ Provide channel mapping and identify industry selection criteria/success factors
- ❑ Conduct voice-of-customer surveys



Financial Planning & Analysis

- ❑ Forecast and conduct variance analysis
- ❑ Develop bottoms-up financials models
- ❑ Perform ROI analysis for key decisions

Our Clients:

Corporations

- **Corporate Strategy**
 - Identify product gaps and adjacencies
 - Explore new markets
- **M&A Strategy**
 - Develop M&A funnels
 - Create/Refine financial models
- **Go-to-market Strategy**
 - Understand competitive landscape and channel
- **FP&A**

Private Equity

- **Market Research**
 - Quantify TAM
 - Understand competitive landscape/SWOT analysis
- **Commercial Due Diligence**
 - Voice-of-Customer
- **Strategic Support Post Acquisition**
- **M&A Strategy**
 - Identify other candidates
- **Financial modeling**
 - Develop/review M&A models

Growth Equity/Venture Capital

- **Market Research**
- **Capital Markets Advisory**
 - Help positioning and understanding of water investors/markets
- **Strategic Support**
 - Assist management with corporate and go-to-market strategy



The Problem is Clear – Addressing it is More Complex

*Our clients are constantly are faced with a surprisingly greater-than-expected challenge of how to tap into this enormous market while meeting KPI's, such as **market share**, **return on invested capital**, or **margins**.*

**\$700+
billion**

GLOBAL WATER
MARKET

**\$85
billion**

ESTIMATED ANNUAL
GAP BETWEEN
SPENDING AND
INVESTMENT NEEDS IN
US

40%

WATER GAP BY 2030
(WORLDWIDE
AGGREGATED
SHORTFALL BETWEEN
WITHDRAWALS AND
SUPPLY)

We help you develop/strengthen your strategy within markets

Municipal

- Treatment (filtration, DAF, MBR, membranes, EDI, UV)
- Smart water
- Flow (pumps, valves & controls)
- Metering, analytics, monitoring and control

Industrial

- Treatment (filtration, DAF, MBR, UV)
- IoT
- Flow (pumps, valves, & controls)

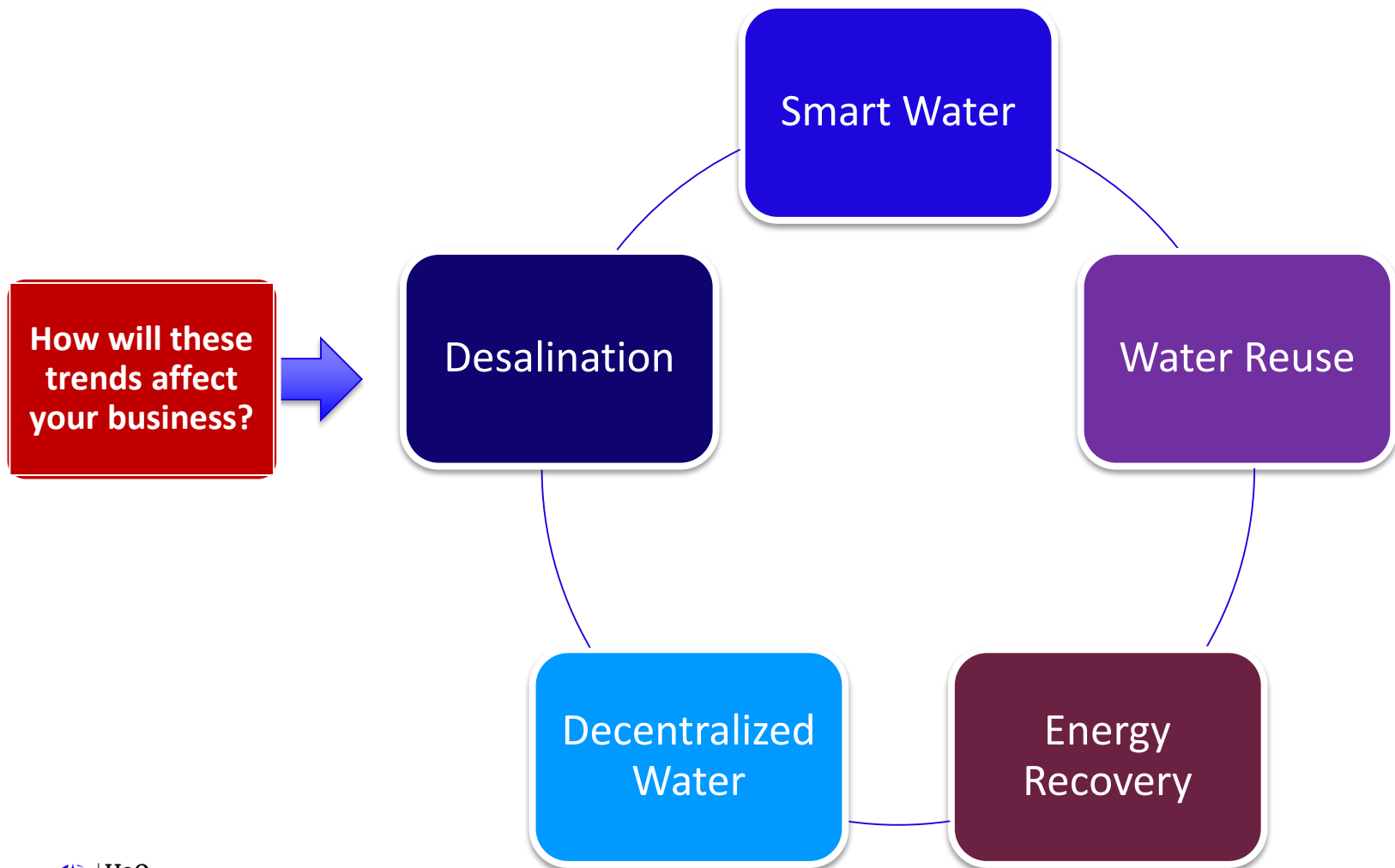
Residential

- Flow (pumps, valves, & controls)
- Water quality (POU/POE filtration and UV)
- Effluent management

Commercial

- Flow (valves & controls, drainage)
- Water quality (POU/POE filtration and UV)
- Effluent management

We also help you understand new market opportunities



We Partner with Our Clients to:





Our Process

Evaluate Business

We begin by developing an understanding of your business and its challenges. We conduct internal reviews with leadership, operations, and R&D. Our goal is to help identify your strengths and how you can play to them.

Evaluate Markets

We conduct in-depth market research to understand where the markets are going and what are the opportunities and risks, incorporating voice of customer. We connect with industry experts, end-users, manufacturer's reps, and competitors, while also relying on proprietary and third-party research.

Review Options

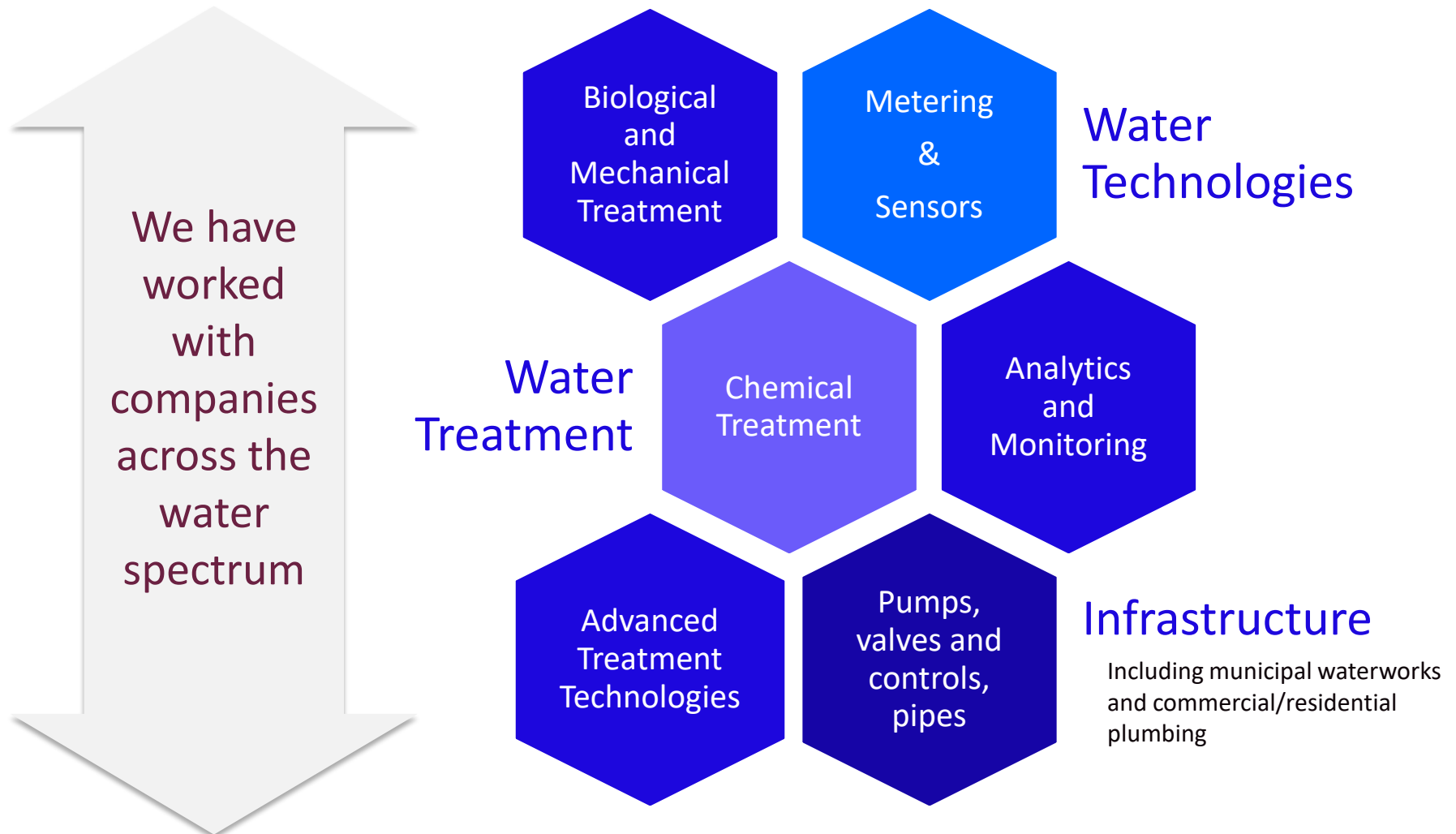
Does it make sense to acquire, develop new products, and/or forge partnerships? We assess internal resources, competitive landscape, and review market valuations to better understand ROI.

Our Team: In-Depth Knowledge in Water Industry

As research analysts, covering the water sector for nearly a decade, David Rose and the team have provided in-depth coverage on a variety of business models. They have researched, analyzed, and written and published extensively on the following companies:



Our Team: Experience Across Water Ecosystem



Leadership



H2O Insights was founded by David L. Rose, CFA, one of the leading experts on water investing.

David has spent over 15 years as a senior equities analyst for investment banks including Jefferies & Company, and most recently Wedbush Securities. He was ranked as one of the leading analysts by *The Wall Street Journal* and *Financial Times*/Starmine for stock selection, and has appeared and been frequently quoted in the media, including: CNBC, BNN, *The Wall Street Journal*, *Barron's*, *Forbes*, and *Global Water Intelligence*.

Additionally, David spent seven years in Latin America where he oversaw a restaurant operator and developer and an operations consultancy practice, before dedicating the next seven years providing insightful research to institutional investors on water investing. David received a B.S. in Business Administration from the University of California, Riverside.

Case Studies





Corporate Development

EVALUATING GROWTH OPPORTUNITIES

The corporate development process includes an assessment of internal and external growth opportunities. We review product gaps and help identify acquisition candidates.

A leading provider of water technologies had been looking to accelerate growth and wanted to evaluate acquisition opportunities versus the cost of developing solutions internally. Our objective was to evaluate potential markets, estimate sizes, and focus on the most attractive segments based given our client's core capabilities, fragmentation of market, and growth rates. Once we narrowed down the technologies and markets, we created an acquisition funnel based on a criteria we established with the client. We then mapped targets and assessed their competitiveness, product offering, and value proposition to create a ranking system. At the end of the process, the client had a clear understanding of the market to address along with 20 real acquisition targets.



Go-To-Market Strategy/Market Research

UNDERSTANDING A NEW MARKET

Market research is instrumental in developing your strategy while helping to make intelligent investment decisions.

A dominant player in the water sector wanted to evaluate a new market. We provided a high level view of the market, and then performed an in-depth analysis, identifying top players, market shares, and a competitive analysis of the market. Our research included interviews with channel partners, experts, and customers. Additionally, we provided insight on regulations affecting the market to help prioritize a go-to-market strategy.



M&A / Commercial Due Diligence

EVALUATING NEW MARKETS/ACQUISITION

Market research is also helpful to venture capital and private equity funds, and institutional investors looking to participate in various aspects of the water market.

A private equity fund wanted to better understand the market potential and competitive landscape for an acquisition target. The client wanted to better understand growth drivers, both commercial and regulatory while quantifying the serviceable addressable market. We provided deep research on the market relying on regulatory filings, interviews with engineers and industry experts, and extensive voice-of-customer. As part of the process we provided commercial due diligence to better understand commercial challenges as well as growth opportunities. Additionally, we mapped the rep network to identify channel conflicts and gaps in distribution.



Financial Planning & Analysis

FORECASTING AND GOAL SETTING

We help companies answer key questions such as:

- What are our most profitable products/offerings in the business?
- What are the sources of our margin leaks?
- How do we stack up against our peers in terms of profitability?
- How can we improve our working capital?
- How much cash flow should we be generating in order to meet growth expectations?
- What is our IRR for new investments or acquisitions?
- How much value does a new acquisition add?



About Us

We work with a variety of companies in the water sector, ranging from emerging growth companies to larger multi-billion dollar companies, to private equity and venture capital firms. We have worked across the water spectrum, providing strategic insights to companies offering:

- Smart water infrastructure
- Leak detection
- Monitoring, diagnostics, and analytics
- Metering
- Valves & Controls
- Pipe condition assessment
- Sewer rehabilitation
- Water treatment technologies
- Filtration & Screening



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