



# Engineering & Construction

QUARTERLY SECTOR REVIEW | Q3 2021

**HW** Harris Williams



# Harris Williams Engineering & Construction Overview

## Harris Williams Engineering & Construction Sector Focus Areas

- › Construction / Project Management
- › Civil Engineering
- › Infrastructure Support Services
- › Design & Installation
- › Electrical Engineering & Services
- › General & Specialty Contracting
- › Building Services
- › Forensic Engineering

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## Select Recent Harris Williams Engineering & Construction Transactions

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# What We're Reading

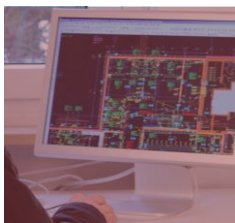
## Democrats Look for Way Forward on Infrastructure and Reconciliation



“The Senate passed a \$1.2 trillion bipartisan infrastructure package in early August that also enjoys wide support in the House. But liberals have insisted since June on holding that bill back until the broader economic package is agreed to out of fear that their moderate colleagues would be less likely to support it if the spending on roads, bridges and ports they favor is already signed into law. Congressional leaders got behind the idea of moving the bills together. That idea recently broke down as various lawmakers could not start mapping out a framework for the social spending bill without more details from Senators Manchin and Sinema on what policies they could support. But moderates said they were still owed a vote on the infrastructure bill leading to a stalemate. Biden ultimately settled the dispute when he traveled to Capitol Hill on Friday to meet with House Democrats and came down on the side of the liberals, conceding that infrastructure was not going to happen ‘until we reach an agreement on the next piece of legislation.’”

[The Washington Post](#)

## Digital Investment Can Enable E&C Firms to Differentiate Themselves



“Digital is becoming the core enabler of future success in the construction industry. In a Deloitte postelection poll, 76% of E&C executives indicate that they are likely to invest in at least one digital technology in 2021. Digital moves business decisions from reactive to predictive and could enable E&C firms to outpace their competition. For this reason, it is likely to be a priority on CIOs’ growth agendas in the coming year. Building information management (BIM) can help enhance real-time project visibility, eliminate cost overruns, and accelerate the development timeline. Digital supply networks can help to calibrate demand and supply by ensuring constant material availability using machine learning and cognitive computing. Digital twin technologies can help make use of 3D data to generate building profiles and blueprints of building parts and components in real time, driving visibility and operational improvements. Autonomous rovers and drones can help conduct remote site inspections, improving worker safety and productivity. After project delivery, predictive maintenance technologies can help E&C firms better manage assets and equipment.”

[Deloitte](#)

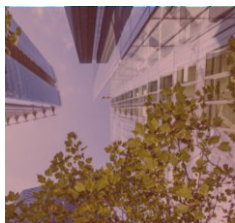
## Connected Construction and Modularization Can Improve Cost Savings, Design, Quality Control, and Project Scheduling



“Modular projects need different timelines, a different set of stakeholders, and therefore deserve a different process to be successful. Modular construction is a great opportunity to rework the process for more efficiency, for better teamwork, for more transparency, and ultimately for more effectiveness. It necessitates a clean slate and an overall different work culture. Culture change may seem like an exaggeration, but it isn’t. Modular construction takes everything that a builder knows about building and changes it. The team is different, relationships, accounting, labor, design, process, organization... ‘the benefits to modular can be measured in few to no change orders, less contingency financing needed and fewer difficulties in the project due to weather, crew retention and local inspectors demanding last minute changes that cost time and money in on-site construction.’”

[Forbes](#)

## Construction Industry Participants Can Benefit From Growing ESG Trends as Decarbonization Initiatives Gain Momentum



“Construction is directly or indirectly responsible for almost 40% of global CO<sub>2</sub> emissions from fuel combustion and 25% of GHG emissions overall and has a major impact on the environment through other channels as well, including the significant amount of waste generated, high water consumption, and air pollution. Design is the most important factor in determining GHG emissions over a building’s lifetime. By the time the construction process begins, the majority of decisions affecting the project’s GHG emissions are locked in. If left unaddressed, the construction ecosystem’s carbon output is expected to grow over the next 30 years as we seek to meet the demands of an expanding population and increased urbanization. On a positive note, this opens opportunities to optimize new builds, while a simultaneous shift toward renewable energy will help to mitigate emissions.”

[McKinsey](#)

# Select Recent M&A Transactions

Announced September 2021



Announced September 2021



Announced September 2021



Announced August 2021



Announced August 2021



Announced August 2021



## Peak Rock Capital acquires SAM Companies

- Peak Rock Capital, an Austin, Texas-based middle-market private equity firm, announced that one of its affiliates has acquired SAM Companies, a provider of geospatial services to utility, transportation, and broader infrastructure clients, also based in Austin, Texas
- The investment will accelerate SAM's rapid growth by expanding its service capabilities and geographic footprint, and allow SAM to continue to invest in the industry's most advanced technologies and leading talent

## Long Point Capital partners with privately held MNS Engineers

- Long Point Capital, a Michigan- and New York-based middle-market private equity firm, announced it has acquired an interest in MNS Engineers, a Santa Barbara-based provider of construction management, civil engineering, and surveying services throughout California
- The strategic partnership will enable MNS to continue to build upon the history and collective expertise of the firm while deepening resources and specialties through acquisitions

## STV Group to acquire CP&Y

- STV Group announced its agreement to acquire Arlington, Texas-based CP&Y, an engineering, architectural, and field services consulting firm operating in Texas, Oklahoma, Colorado, Florida, and Virginia
- The acquisition will cement STV's presence in the Texas infrastructure market and expand its water and wastewater practices nationwide

## Jensen Hughes acquires BCA Logic

- Jensen Hughes, a global leader in safety, security, and risk-based engineering and consulting, acquired BCA Logic, an Australia-based market leader in code consulting and performance-based design engineering
- Partnering with the largest fire engineering firm in the world will enable BCA Logic to expand expertise and service offerings significantly in Australia and throughout the world

## BDT Capital Partners announces long-term strategic partnership with Universal Engineering Services

- BDT Capital Partners, a U.S.-based merchant bank that provides family- and founder-led businesses with long-term differentiated capital, announced it will become the majority shareholder of UES, joining Palm Beach Capital and company founders/management
- The BDT investment will allow UES to pursue the goal of becoming the nation's most sought after, respected, and successful geotechnical, construction materials testing, inspections, and environmental consulting business

## EN Engineering acquires Spectrum Engineering

- EN Engineering, a leading national engineering, consulting, and automation services firm, acquired Indiana-based Spectrum Engineering Corporation
- The acquisition will build upon EN's strong electric power and gas utility position with added presence throughout the Midwest and improve its communications engineering platform with the addition of Spectrum's fiber optic, data center, and telecom services

# Recent M&A Transactions

Announced Date	Target	Target Description	Acquirer
9/29/2021	Ambient Energy	Colorado-based design firm specializing in commissioning, energy analysis, and sustainable design.	Mead & Hunt
9/29/2021	SAM Companies	U.S.-based leading provider of geospatial services to utility, transportation, and broader infrastructure clients.	Peak Rock Capital
9/28/2021	RMA Group of Companies	U.S.-based provider of technology-enabled laboratory testing, inspection, and quality management services for critical infrastructure end markets.	OceanSound Partners
9/24/2021	CMA Engineering	Austin, Texas-based environmental and civil engineering services firm that serves municipalities, utility districts, and developers in the state of Texas.	Burgess & Niple
9/21/2021	Bridging Solutions	U.S.-based bridge and structural engineering specialist firm.	KCI
9/21/2021	MNS Engineers, Inc.	U.S.-based provider of construction management, civil engineering, and surveying services throughout California.	Long Point Capital
9/20/2021	United Engineers & Constructors	U.S.-based leading infrastructure engineering, procurement, construction, and consulting company.	Imperia Engineering Partners
9/20/2021	Walker Projects	Canada-based provider of project management services for a variety of construction projects.	MBC Group
9/16/2021	Enginuity; Fuller Industries' assets	U.S.-based design/build mechanical contractor and service provider.	GDI Integrated
9/15/2021	AAM	Australia-based global geospatial services company that specializes in aerial mapping, surveying, GIS, and development of innovative geospatial processes / technologies.	Woolpert
9/13/2021	BCA Logic	Australia-based provider of code consulting and performance-based design engineering services.	Jensen Hughes
9/13/2021	Whitman & Bingham Associates	Massachusetts-based surveying and civil engineering company serving clients throughout New England.	Haley Ward
9/8/2021	E&I Engineering	U.S.-based provider of electrical switchgear and power distribution systems.	Vertiv Holdings
9/7/2021	CP&Y, Inc.	U.S.-based engineering, architectural, and field services consulting firm.	STV Group; The Pritzker Organization
9/7/2021	Rice & Gardner	Texas-based provider of project management and building commissioning field services.	Project Control
9/3/2021	L&S Mechanical	U.S.-based tri-trade provider of plumbing, HVAC, and electrical installation services in the Texas residential market.	The Sterling Group
9/2/2021	Rochester & Associates	Georgia-based provider of civil engineering, land surveying, project management, and infrastructure services to private and public entities.	DCCM; White Wolf Capital
9/1/2021	Dixon + Associates	Utah-based niche architectural design firm focused on the healthcare and medical design industry.	E4H

# Recent M&A Transactions (cont.)

Announced Date	Target	Target Description	Acquirer
9/1/2021	Perkins Engineering Consultants	U.S.-based engineering firm specializing in water/wastewater services.	Mead & Hunt
9/1/2021	Rainforth Grau Architects	U.S. based architecture firm with educational design leadership in Northern California.	HMC Architects
8/31/2021	Patterson Power Engineers	U.S.-based consulting firm focused on power system protection, analysis, and design with large utilities.	Qualus Power Services; New Mountain Capital
8/27/2021	Allied Underground	U.S.-based firm focused on underground water, wastewater, storm sewer construction, and other infrastructure projects.	Altos Partners
8/27/2021	Horizon Engineering	Canada-based provider of geotechnical assessments, laboratory testing, and engineering analyses.	RAM Consulting
8/26/2021	Wright McGraw Beyer Architects	U.S.-based education, performing arts, sports, and workplace design firm for public and private clients.	DLR Group
8/24/2021	Sage Renewable Energy Consulting	U.S.-based sustainable energy planning and project management services provider.	NV5
8/19/2021	Beam, Longest & Neff	U.S.-based infrastructure engineering firm.	McIntosh Perry
8/19/2021	Bowie Gridley	U.S.-based K-12 education, performing arts, museum, preservation, higher education, and hospitality master planning and design firm.	DLR Group
8/19/2021	Young's Communications	U.S.-based construction services provider serving telecommunications, utility, and power infrastructure customers.	Grain Management
8/16/2021	Johnson Surveying and Mapping	U.S.-based land surveying company.	SAM Companies
8/16/2021	McGrattan and Kenny	Ireland-based mechanical and electrical engineering services provider.	CJK
8/13/2021	Binkley & Barfield	U.S.-based multidisciplinary engineering consulting firm offering services for county and municipal clients, regional and state surface transportation, public infrastructure, gas pipeline, telecom, and electrical distribution projects.	DCCM; White Wolf Capital
8/13/2021	Frazer-Nash Consultancy	U.K.-based engineering consulting firm delivering technology solutions across a range of critical national infrastructure.	KBR, Inc.
8/12/2021	A&M Communications	U.S.-based provider of wireless telecommunications installation and maintenance services.	Congruex; Crestview Partners
8/12/2021	BakerNowicki	U.S.-based education design firm.	DLR Group
8/12/2021	Gordon R. Archibald	U.S.-based civil and environmental engineering firm.	GM2
8/11/2021	Crescent Engineering	U.S.-based multidisciplinary engineering firm offering a range of civil and mechanical engineering, architecture, and geomatics services.	Wooten Company

# Recent M&A Transactions (cont.)

Announced Date	Target	Target Description	Acquirer
8/11/2021	TWM Landscape Architects	U.S.-based provider of education, park, waterfront, healthcare, streetscape, trail, and urban landscape architecture.	Fisher Associates
8/10/2021	ATM	U.S.-based engineering and consulting firm focused on coastal, waterfront, and water resources projects.	Geosyntec
8/10/2021	The Whiddon Group	U.S.-based provider of utility engineering services.	SAM Companies
8/9/2021	Leap Environmental	U.K.-based geotechnical and geo-environmental site investigation and consulting firm.	RSK Group
8/5/2021	CS2	U.K.-based surveying, project management, and construction firm.	RSK Group
8/5/2021	Quebe Holdings	U.S.-based electrical services company providing preconstruction, construction, systems integration, and energy infrastructure in a variety of end markets.	EMCOR Group
8/5/2021	WRECO	U.S.-based provider of transportation, water, and environmental infrastructure planning and design.	HDR
8/4/2021	Assets of McFarland-Dyer & Associates	U.S.-based provider of civil engineering, land planning, land surveying, and landscape architecture.	Bowman Consulting Group
8/4/2021	ATI Engineers	U.S.-based provider of structural, mechanical, and electrical engineering services.	Miyamoto International
8/4/2021	Drake Environmental	U.S.-based provider of environmental construction and compliance services, specializing in erosion and sedimentation control, stormwater management, and stormwater pollution services.	Raba Kistner
8/4/2021	Grecco Construction Consultants	U.S.-based provider of building consulting services.	Envista Forensics
8/4/2021	Paleo Solutions	U.S.-based provider of natural resources and cultural resources management consulting.	Stantec
8/4/2021	RECON Services	U.S.-based industrial services, soil stabilization, and environmental remediation provider.	Keller
8/4/2021	Sullivan Engineering	U.S.-based envelope restoration consulting firm.	Rimkus Consulting Group; Century Equity Partners
8/3/2021	Griffith Engineering	U.S.-based provider of engineering services across energy infrastructure.	TLC Engineering Solutions
8/2/2021	Environmental Partners Group	U.S.-based engineering services provider across water/wastewater/stormwater, civil, transportation, environmental, and other markets.	Apex Companies
8/2/2021	LDSI	U.S.-based provider of surveying and water resource engineering.	GPI
8/2/2021	Silkstone Environmental	U.K.-based provider of minerals and waste consulting services to mines, quarries, waste management, new-build, commercial build, and civil engineering end markets.	Construction Testing Solutions

# Recent M&A Transactions (cont.)

Announced Date	Target	Target Description	Acquirer
8/2/2021	Spectrum Engineering	U.S.-based engineering services provider for electric power and gas utility end markets.	EN Engineering
7/29/2021	Atlantic Environmental	U.K.-based provider environmental health and safety consulting.	PHASE Associates
7/29/2021	Universal Engineering Services	U.S.-based geotechnical engineering and construction materials testing and consulting company.	BDT Capital Partners
7/28/2021	Turner & Townsend	U.K.-based provider of program, project, and cost management.	CBRE
7/27/2021	Hoare Lea	U.K.-based engineering design consultancy services provider.	Tetra Tech
7/27/2021	Pacific Groundwater Group	U.S.-based hydrogeology, groundwater/surface water interactions, modeling, soil, sediment, water chemistry, and regulatory strategy services firm.	Mott MacDonald
7/26/2021	DPM Energy	Canada-based power distribution engineering services provider.	OEC
7/26/2021	DuctTesters, SMC Systems	U.S.-based providers of quality assurance and sustainability inspections.	Quality Built
7/26/2021	Milanowski & Englert	U.S.-based professional engineering and surveying services provider.	Abonmarche
7/22/2021	Ambient Air Services	U.S.-based provider of stack testing, ambient air monitoring, and CEMS installation and maintenance services.	Alliance Technical Group
7/22/2021	Van Lente Systems	Denmark-based engineering and maintenance services company for the power generation and renewables end markets.	Van Doren Engineers
7/20/2021	Alliance Technical Group	U.S.-based provider of environmental testing and compliance services.	Morgan Stanley Capital Partners
7/20/2021	Bibb Engineers, Architects & Constructors	U.S.-based engineering, procurement, and construction services provider.	S&B
7/20/2021	Environmental Management Alternatives	U.S.-based provider of national hazardous waste.	HEPACO; Gryphon Investors
7/19/2021	Horizon Engineering Group	U.S.-based provider of transportation design services.	GPI
7/16/2021	CMTA, Building Systems Holdings	U.S.-based energy solutions, consulting, and engineering and performance contracting services provider. U.S.-based lifecycle facility solutions provider, assisting in planning, building, and operating of buildings.	Therma Holdings; Blackstone Energy
7/14/2021	Gausman & Moore	U.S.-based mechanical, electrical, and plumbing design firm.	Ayres
7/14/2021	KirK Engineering & Natural Resources	U.S.-based provider of civil engineering focused on water and wastewater markets.	WWC Engineering

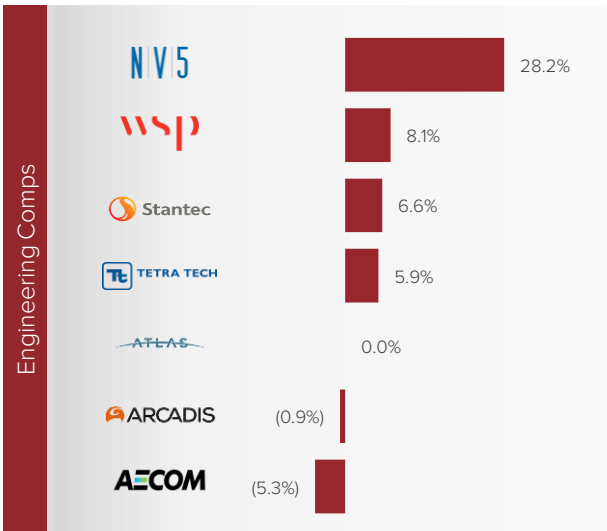


# Recent M&A Transactions (cont.)

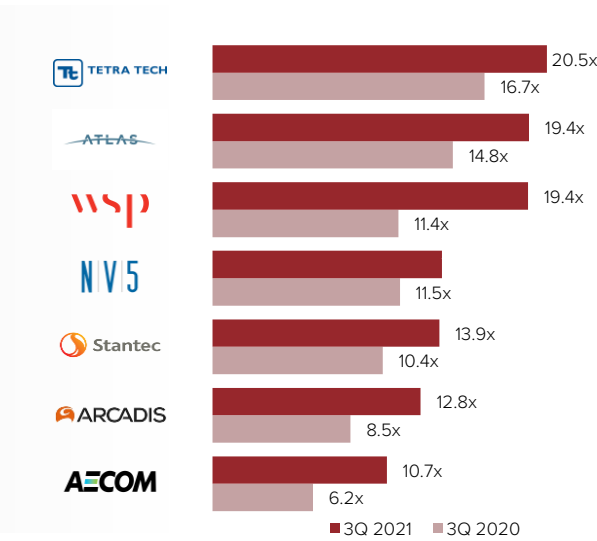
Announced Date	Target	Target Description	Acquirer
7/14/2021	Northern Rockies Engineering	U.S.-based engineering and natural resource consulting firm.	WWC Engineering
7/8/2021	Blackstone Consulting	U.S.-based consultant for evaluating risks associated with real estate investments.	Rimkus Consulting Group; Century Equity Partners
7/8/2021	Environmental Intelligence	U.S.-based environmental consulting company focusing on wildfire mitigation, biological assessments, construction monitoring, and regulatory compliance services.	Montrose Environmental Group
7/8/2021	Erichsen & Horgen	Norway-based engineering consultant for buildings construction, energy, environmental, and sustainability end-markets.	Multiconsult
7/8/2021	Geotechnology	U.S.-based provider of applied earth and environmental sciences, exploration, geotechnical engineering, underground consulting, nondestructive testing, and materials testing services.	UES
7/7/2021	Cocciardi and Associates	U.S.-based provider of environmental, health, and safety services.	Pennoni
7/7/2021	Ecotone	U.S.-based ecological restoration-focused design, engineering, and construction services provider.	L2 Capital
7/7/2021	Enertis	Spain-based solar photovoltaic and energy storage service provider.	Applus+
7/7/2021	O'Neill Services Group	U.S.-based construction quality assurance and environmental services firm.	Atlas Technical Consultants
7/7/2021	Salas O'Brien	U.S.-based engineering and facility planning firm.	Girard Engineering
7/7/2021	Sunbelt Waterproofing & Restoration	U.S.-based provider of commercial waterproofing and various engineered restoration services.	Concentric Equity Partners, Northaven Capital Partners
7/7/2021	Technik Ground Solutions	U.K.-based engineering solutions provider for complex foundation and geotechnical applications.	RSK
7/2/2021	R.G. Miller Engineers	U.S.-based infrastructure services provider for public and private sector clients.	DCCM; White Wolf Capital
7/1/2021	MEIS	U.S.-based architecture, design, and planning firm focused on sports and entertainment markets.	Perkins Eastman

# Public Valuations<sup>1</sup>

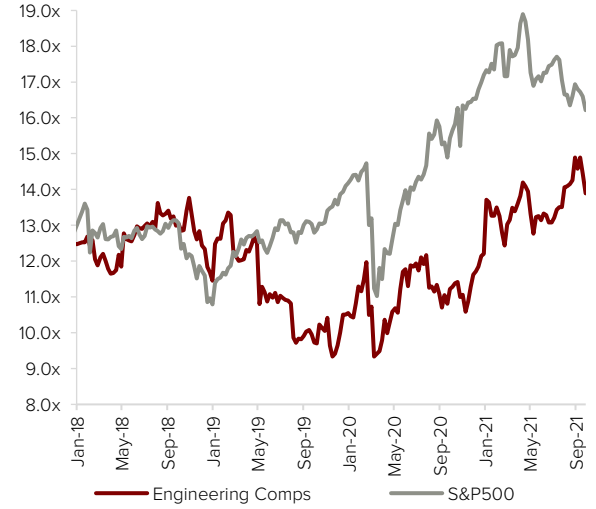
## 5-Year Revenue CAGR



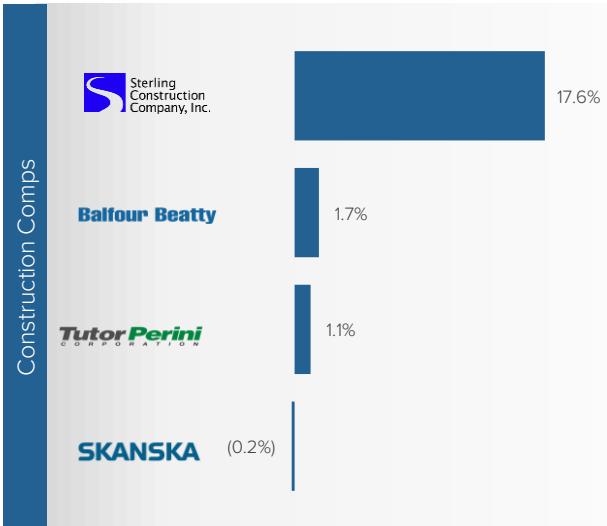
## Quarterly EV / EBITDA Multiples



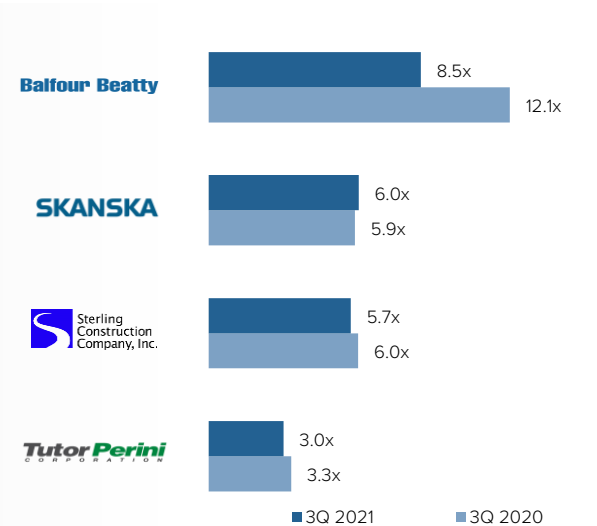
## Trended EV / EBITDA Multiples



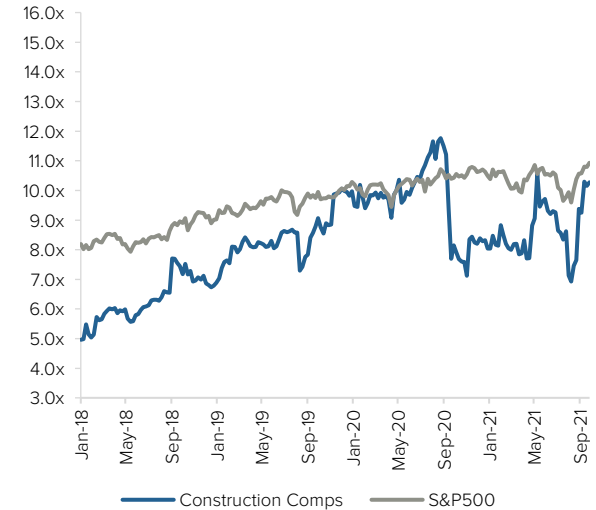
## 5-Year Revenue CAGR



## Quarterly EV / EBITDA Multiples



## Trended EV / EBITDA Multiples





# Our Firm

Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at [www.harriswilliams.com/industries](http://www.harriswilliams.com/industries).

## Industry Group Expertise

<b><u>AEROSPACE, DEFENSE &amp; GOVERNMENT SERVICES</u></b>	<b><u>BUSINESS SERVICES</u></b>	<b><u>ENERGY, POWER &amp; INFRASTRUCTURE</u></b>	<b><u>SPECIALTY DISTRIBUTION</u></b>	<b><u>TRANSPORTATION &amp; LOGISTICS</u></b>
<b><u>BUILDING PRODUCTS &amp; MATERIALS</u></b>	<b><u>CONSUMER</u></b>	<b><u>HEALTHCARE &amp; LIFE SCIENCES</u></b>	<b><u>INDUSTRIALS</u></b>	<b><u>TECHNOLOGY</u></b>

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## Sources

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1. Capital IQ

## Disclosures

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