

 Harris Williams

# Testing, Inspection, Certification & Compliance

QUARTERLY SECTOR BRIEF | Q4 2025

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# Insights

Key sector themes in testing, inspection, certification, and compliance, relevant articles we are reading, and a case study on Shermco



# Key Sector Themes



## Regulatory Changes and Compliance Demand

Heightened regulatory scrutiny around asset health and compliance underscores the need for third-party testing verification from testing, inspection, certification, and compliance (TICC) providers.



## Rising Outsourcing Rates

The rising frequency and complexity of risk management activities are increasing demand for the expertise and sense of security offered by third-party TICC providers.



## Aging Infrastructure

Aging infrastructure across the United States drives the need for increasingly frequent predictive monitoring / inspection to avoid costly asset downtime and outages.



## Sustainability and Environmental Compliance

Heightened public scrutiny around sustainability raises the importance of environmental compliance to avoid penalties and maintain a positive brand image.



## Market Consolidation

Larger players across the TICC landscape are heavily leveraging M&A to add scale and capabilities as the market remains highly fragmented with numerous actionable add-on targets.

# What We're Reading

**Testing, Inspection, Certification: A Call for Transformation** – Boston Consulting Group

[READ HERE](#)

*“While at a relatively stable state in terms of growth and margin, the TICC industry is at an inflection point. We expect to witness significant change by 2030, including new services offered to clients, new operating models, and new profitability.”*

**Key takeaway:** The TICC sector stands at a pivotal moment. By embracing digital transformation, focusing on customer-centric solutions, and fostering innovation, sector players can not only overcome current challenges, but also unlock significant value for themselves and their clients.

**Adapt, Transform, Thrive in the Testing, Inspection and Certification Industry** – EY Parthenon

[READ HERE](#)

*“The long-term trend of new regulations (e.g., EU AI Act) across various industries is driving demand for TICC services to ensure compliance with safety, quality, technological, and environmental standards.”*

**Key takeaway:** To thrive in a dynamic and challenging global landscape, TICC companies must embrace innovation, recalibrate strategic priorities, and invest in technology, while addressing emerging challenges to achieve sustainable growth and higher margins

# Shermco Industries

Harris Williams advised Shermco Industries, a portfolio company of Gryphon Investors, on its pending sale to Blackstone



## Business Overview

- › Shermco Industries is a leading North American provider of TICC services for electrical infrastructure. The company delivers mission-critical electrical testing, maintenance, and repair services to a diverse base of industrial, commercial, and utility customers
- › With 600+ NETA certified technicians and 200+ degreed engineers in approximately 40 locations across the United States and Canada, the company plays a vital role in the modernization of the power grid across a diverse range of end markets
- › Gryphon made its initial investment in Shermco in June 2018, partnered with CEO Phil Petrocelli and other members of Shermco management to achieve strong organic growth and operating margin improvement at Shermco, while also expanding the company's capabilities through add-on acquisitions

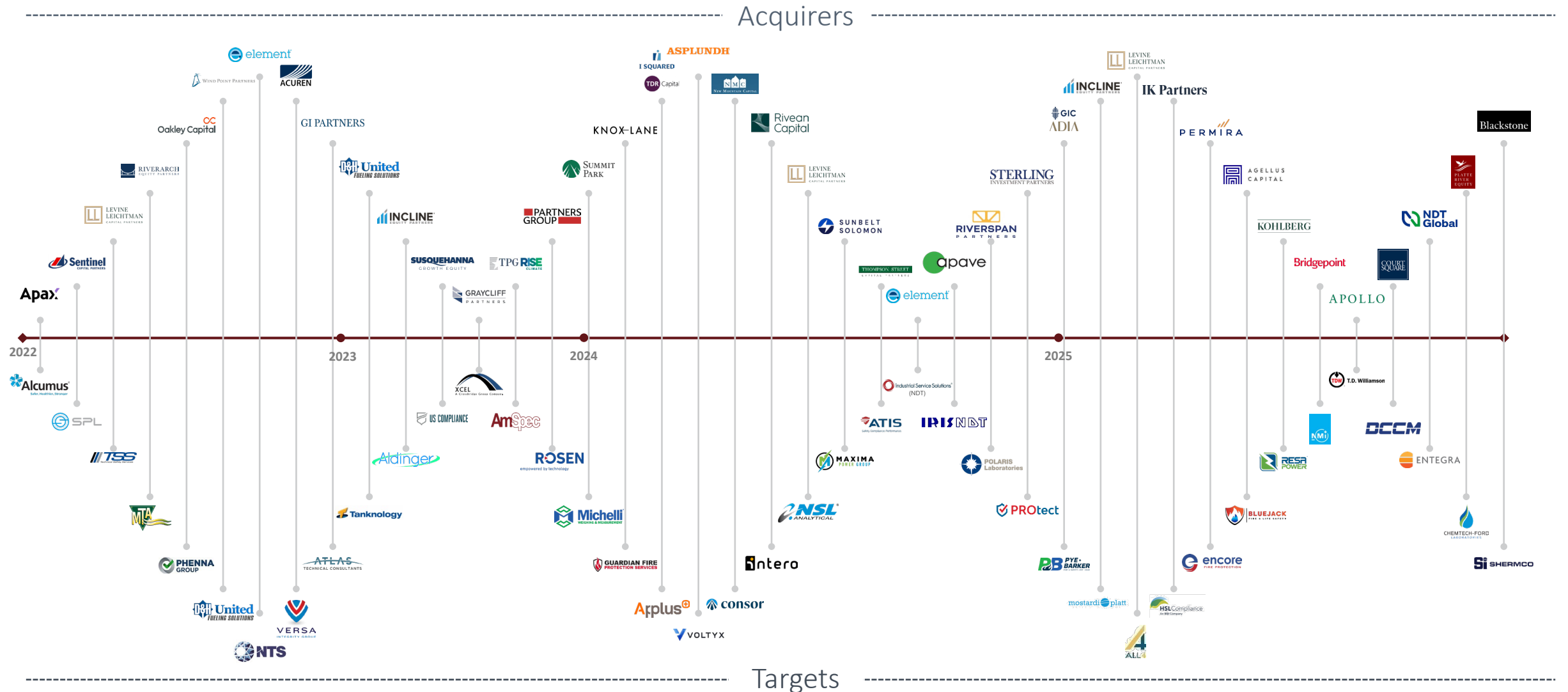
## Resilient Tailwinds Driving Long-Term Growth in Electrical Testing

- › Projected energy demands due to the build-out of hyper-scaler and data center infrastructure represents an unprecedented increase in energy consumption that the United States' aging grid cannot support
- › Key market players, such as Shermco, are supporting the modernization of the electrical grid and the build-out of the required infrastructure to support service needs for mission-critical grid components

## Blackstone to acquire Shermco Industries for ~\$1.6B

- › Harris Williams served as the lead financial advisor and assisted in the marketing, structuring, and negotiating of the transaction on behalf of Gryphon Investors and Shermco Industries

# Select Private Equity and Private Equity-Backed TICC M&A Activity Since 2022



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# Sector Activity



## Select Recent TICC M&A Transactions

September 25, 2025	
 an ICCC company <b>Target</b>	 <b>Acquirer</b>
August 21, 2025	
 <b>Target</b>	 <b>Acquirer</b>
August 7, 2025	
 <b>Target</b>	 <b>Acquirer</b>
August 6, 2025	
 NorthEast BioLab Agile Biotechnological Services CTO	 M.J. Reider Associates Inc.
 MSB	 Normec Group <b>Acquirer</b>
August 5, 2025	
 <b>Target</b>	 <b>Acquirer</b>

### APEM Group Acquired by Applus+ (TDR Capital and I Squared)

Applus+ Laboratories announced its acquisition of APEM Group ("APEM"), a sector-leading environmental consultancy based in Manchester, England. The £335m acquisition serves as a platform investment for Applus+'s thesis in sustainability, with revenue exceeding £95M in the June 2025 LTM period and EBITDA margins over 24%.

### Shermco Industries to Be Acquired by Blackstone

Blackstone announced a definitive agreement to acquire Shermco Industries, a leading provider of electrical testing, maintenance, and repair services, for approximately \$1.6 billion. The acquisition targets Shermco's position as a market leader in the testing, inspection, and certification of electrical infrastructure. Blackstone's investment is driven by the macro tailwinds of increasing electrification across the economy, the modernization of the U.S. power grid, and the broader energy transition.

### Chemtech-Ford Laboratories Acquired by Platte River Equity

Platte River Equity announced its acquisition of Chemtech-Ford Laboratories ("Chemtech"), a prominent environmental and analytical testing services provider based in Sandy, Utah. The acquisition serves as a platform investment for Platte River's thesis in the environmental TICC sector, which targets businesses with recurring, compliance-driven demand and strong resilience through economic cycles.

### NorthEast BioLab, M.J. Reider, and MS Bioanalytical Acquired by Normec Group (Astorg)

Normec Group announced its strategic entry into the U.S. market through the simultaneous acquisition of three specialized laboratory companies: M.J. Reider, NorthEast BioLab, and MS Bio. This move establishes a significant foothold for Normec in the world's largest TICC market, more than doubling the company's addressable market.

### Essco Calibration Laboratory Acquired by Transcat

Transcat announces its acquisition of Essco Calibration Laboratory ("Essco") for a purchase price of \$84 million in cash, representing the largest deal in Transcat's history. Essco is a premier ISO-17025 calibration services provider based in the Boston metro area, with annual revenue exceeding \$22 million and EBITDA margins over 25%.

## Select Recent TICC M&A Transactions

July 31, 2025	
 ENTEGRA Target	 NDT Global Acquirer
July 18, 2025	
 BRIGGS Target	 PHENNA GROUP Acquirer
July 2, 2025	
 ATS Applied Technical Services Target	 SGS Acquirer
June 25, 2025	
 DCCM Target	 COURT SQUARE Acquirer
June 11, 2025	
 TDW T.D. Williamson Target	 APOLLO Investor

### Entegra Solutions Acquired by NDT Global (Novacap)

NDT Global, a leading provider of advanced pipeline diagnostic and integrity solutions, announced its acquisition of Entegra, a premium technology company specializing in Ultra-High-Resolution Magnetic Flux Leakage (UHR MFL) in-line inspection services. The acquisition is a strategic union of two market-leading technology providers, creating a comprehensive and highly advanced service portfolio for the pipeline integrity market.

### Phenna Group (Oakley Group) Acquired Briggs Engineering

Phenna Group announces its acquisition of Briggs Engineering & Testing, a respected American testing and inspection firm based in New England. Briggs will be incorporated into Atlantic Testing Laboratories, a full-service engineering support firm headquartered in New York, which Phenna Group acquired in early 2025.

### Applied Technical Services Acquired by SGS

SGS, a market-leading TICC company, announced it had signed a definitive agreement to acquire ATS, a major North American provider of specialized testing, inspection, calibration, and forensics solutions. The acquisition is designed to significantly strengthen its position in the U.S. and fast-track its regional growth strategy.

### DCCM Acquired by Court Square

Court Square Capital Partners announced its acquisition of a majority interest in DCCM, a national provider of design, consulting, and construction management services that serves both public and private sector clients.

### Minority Stake of T.D. Williamson Acquired by Apollo

Apollo made a strategic investment in T.D. Williamson (TDW), a global leader in pipeline infrastructure technology and services. The investment provides TDW with additional capital to accelerate its growth and innovation initiatives. SCF Partners will retain its majority stake in the company.

## Select Recent TICC M&A Transactions

 <b>Target</b>	<p>June 10, 2025</p>  <b>Acquirer</b>
 <b>Target</b>	<p>May 15, 2025</p>  <b>Acquirer</b>
 <b>Target</b>	<p>April 29, 2025</p>  <b>Acquirer</b>
 <b>Target</b>	<p>April 1, 2025</p>  <b>Acquirer</b>

### NMi Group Majority Stake Acquired by Bridgepoint

Bridgepoint announced it is partnering with NMI Group, a leading European provider of mission-critical TICC services. Bridgepoint will support NMI in scaling its international platform through continued investment and M&A, with a focus on geographic expansion into the DACH and Nordic regions and developing enhanced commercial infrastructure.

### NV5 Global Acquired by Acuren Corporation

Acuren Corporation and NV5 Global, Inc. announced a definitive agreement to merge, creating a market-leading provider of TICC and engineering services, with a combined revenue of over \$2 billion. The combined entity benefits from Acuren's industrial and maintenance expertise and NV5's engineering and geospatial strengths, creating significant cross-selling opportunities.

### RESA Power Acquired by Kohlberg

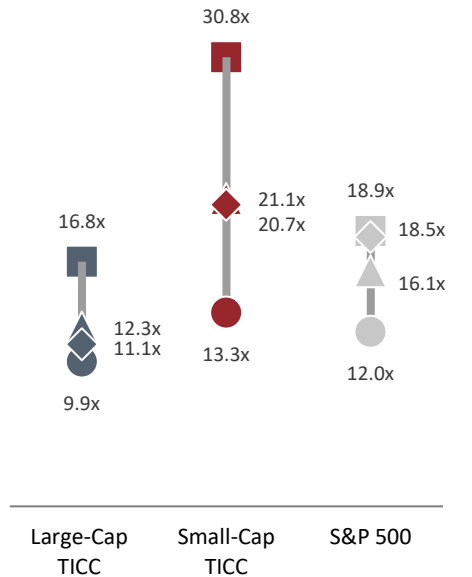
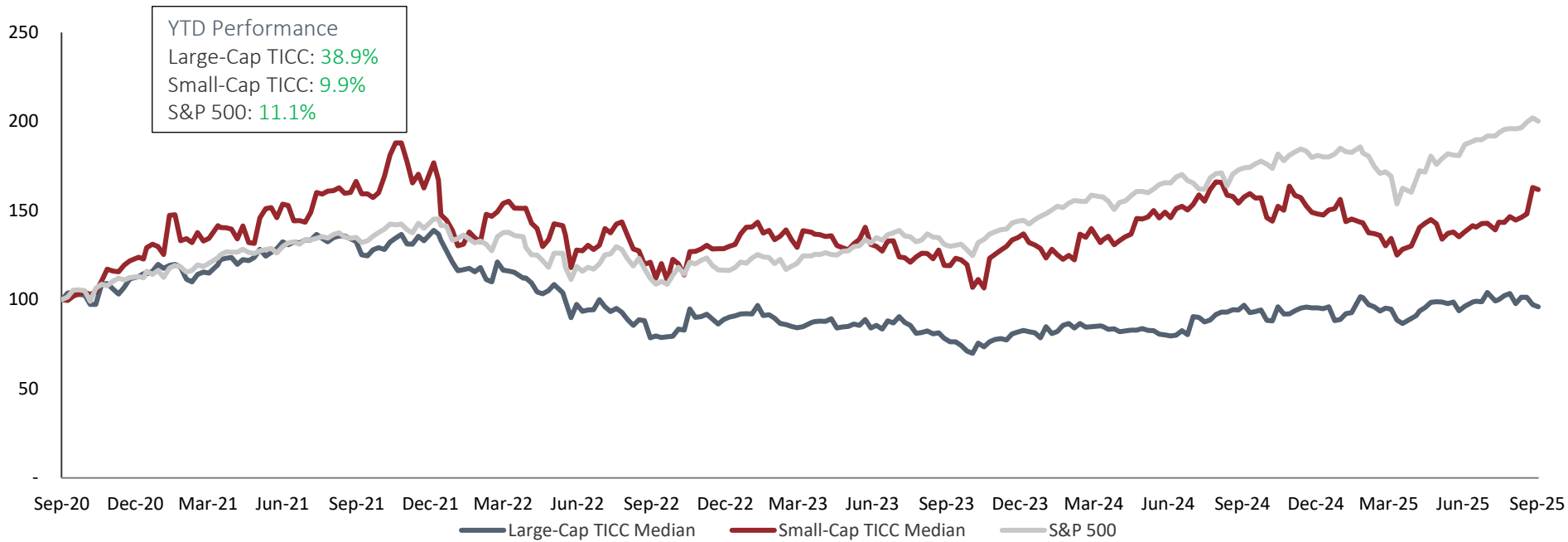
Kohlberg announced a majority investment in RESA Power, a leading provider of mission-critical maintenance, testing, and systems integration for electrical infrastructure across North America, serving industrial, commercial, and utility customers. The acquisition is positioned as a partnership to scale RESA's business by capitalizing on strong secular tailwinds in the power infrastructure sector, backed by Kohlberg's deep experience in infrastructure services.

### Applus+ (TDR Capital and I Squared) Acquired Gometrics Instruments

Applus+ Laboratories announced the acquisition of Gometrics. Gometrics is a leading provider of instrumentation and calibration services in Spain. The acquisition integrates Gometrics into Applus+'s extensive network of metrology laboratories, strengthening its service capabilities in Spain.

# TICC Public Valuation Indices

Indexed Stock Price Performance for the Period September 2020 – September 2025<sup>1</sup>



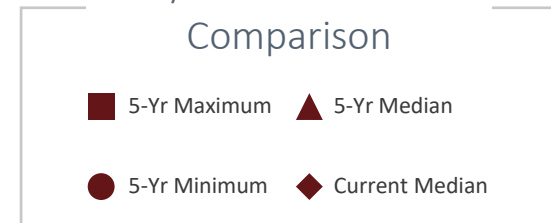
Key Public Comparables – Large-Cap TICC



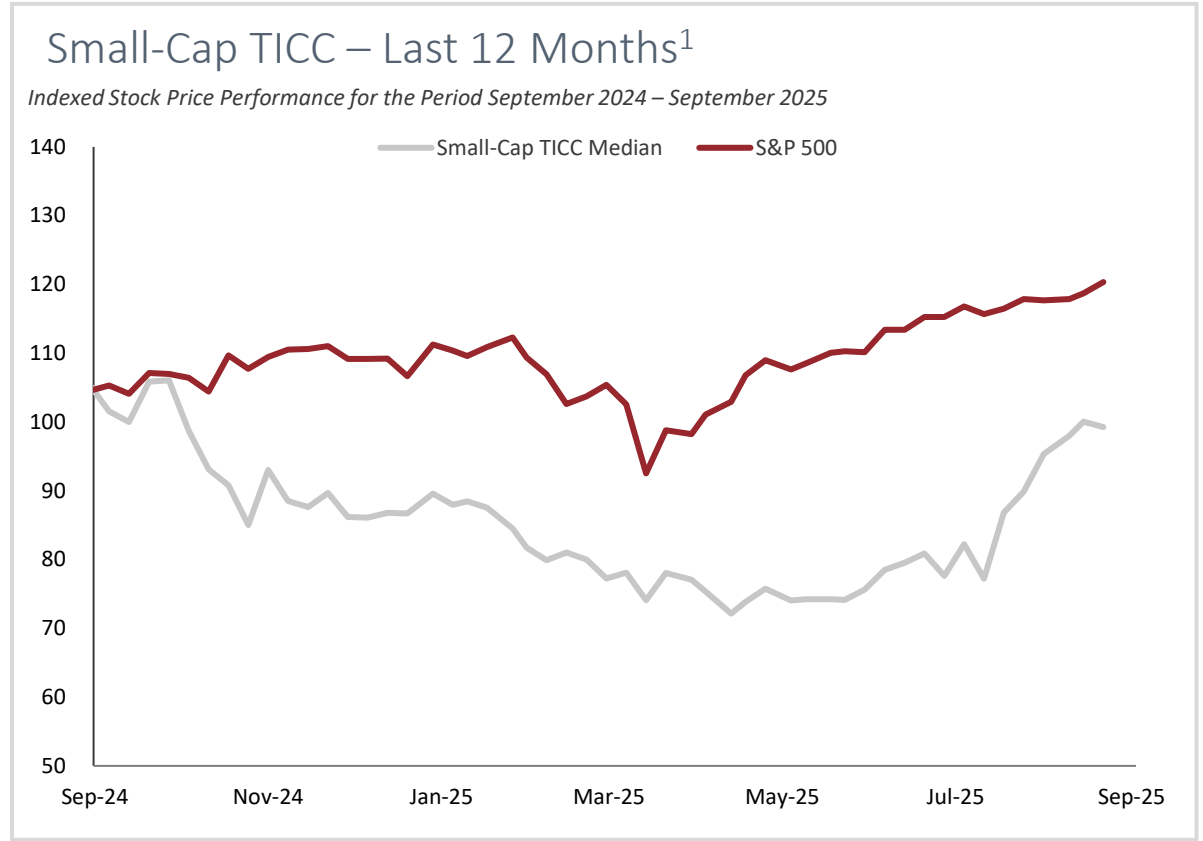
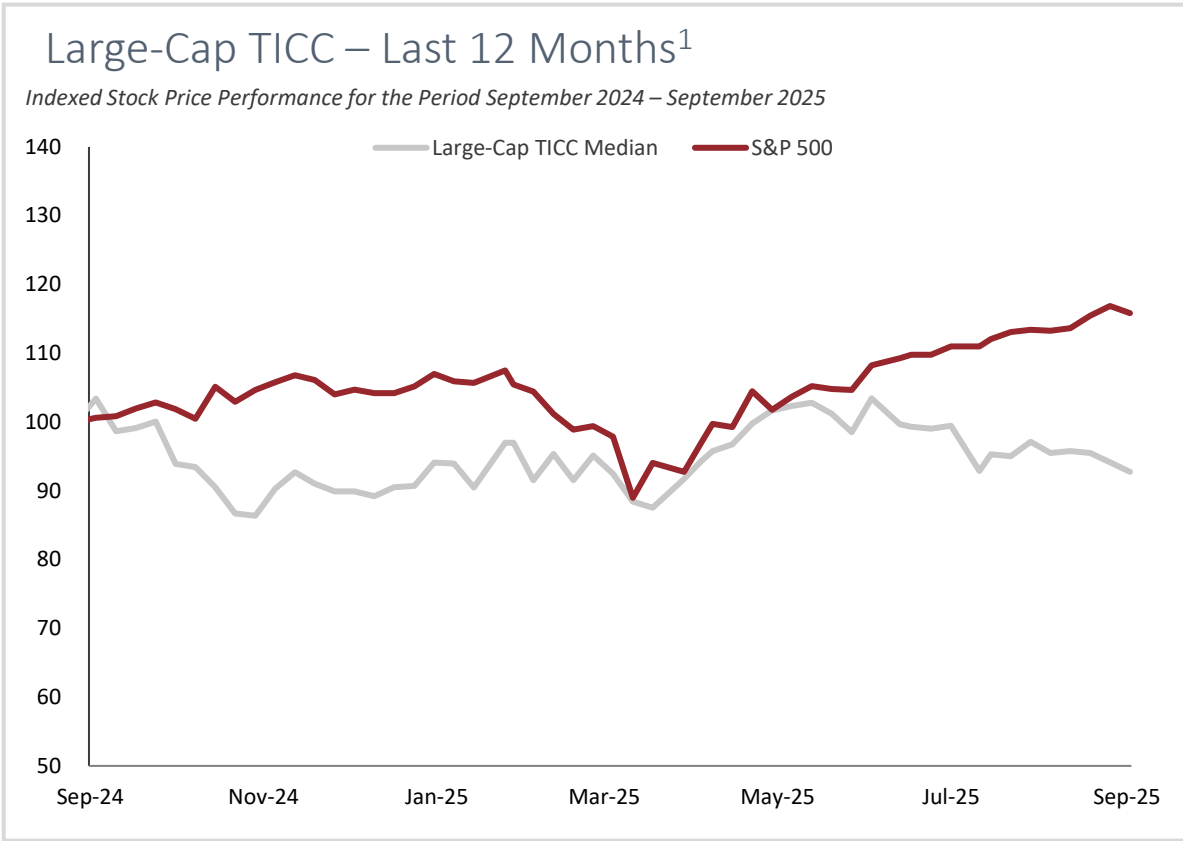
Key Public Comparables – Small-Cap TICC



EV / EBITDA Median Comparison



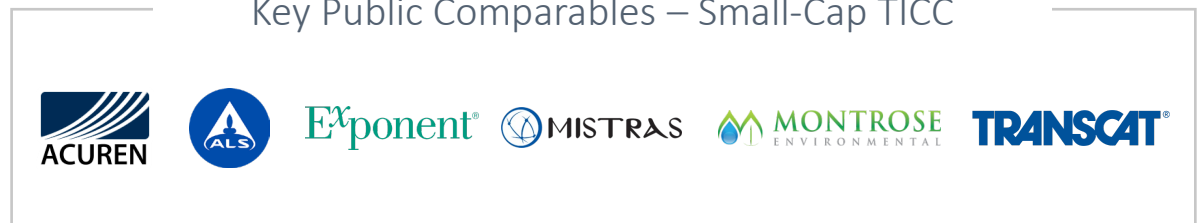
# TICC Public Valuation Indices (Cont.)



## Key Public Comparables – Large-Cap TICC

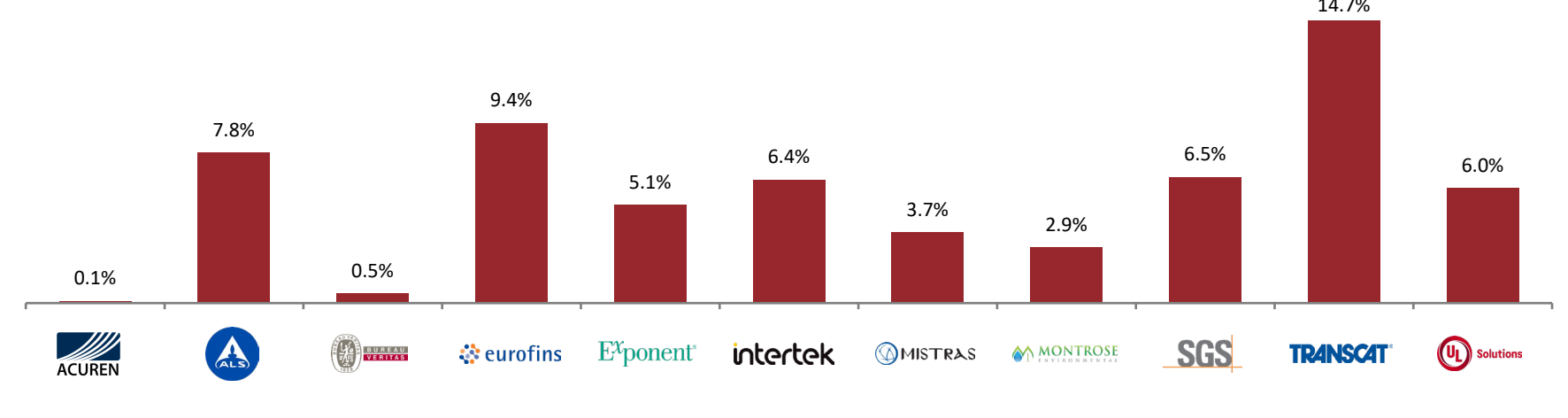


## Key Public Comparables – Small-Cap TICC

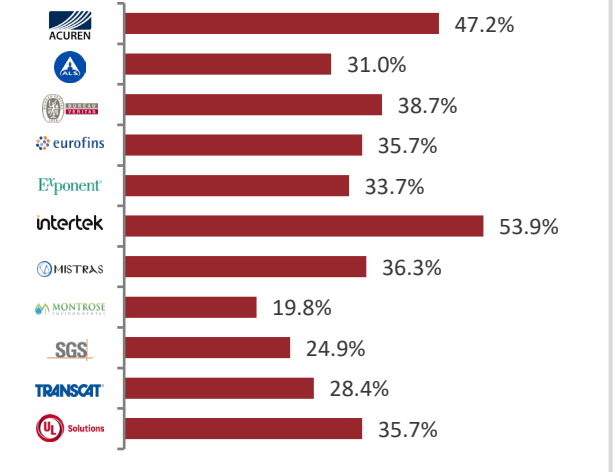


# TICC Public Company Benchmarking

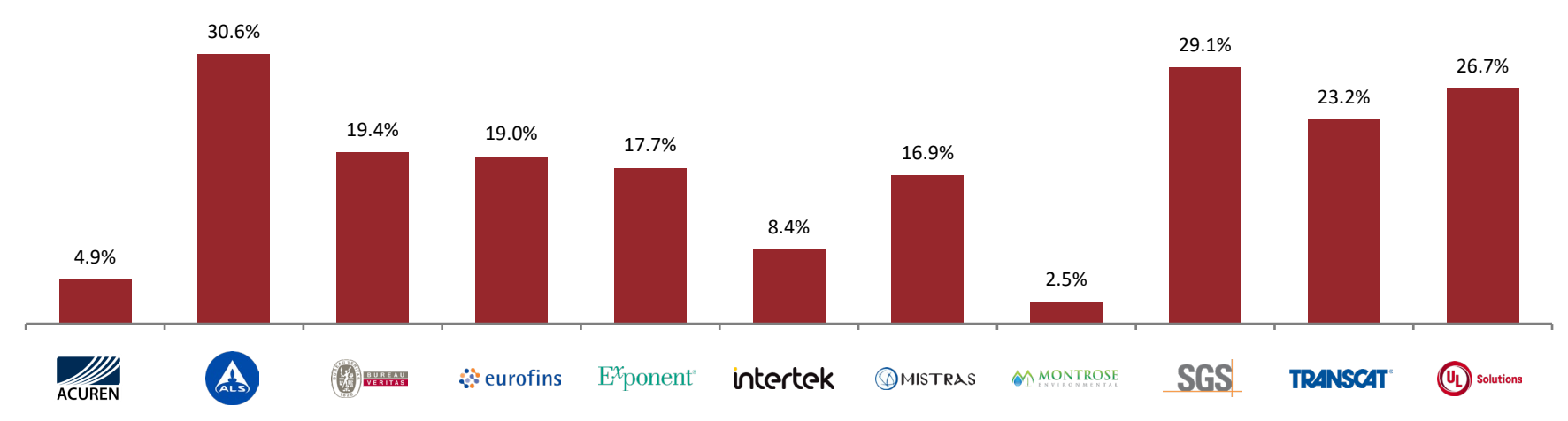
### NTM Revenue Growth Forecast<sup>1</sup>



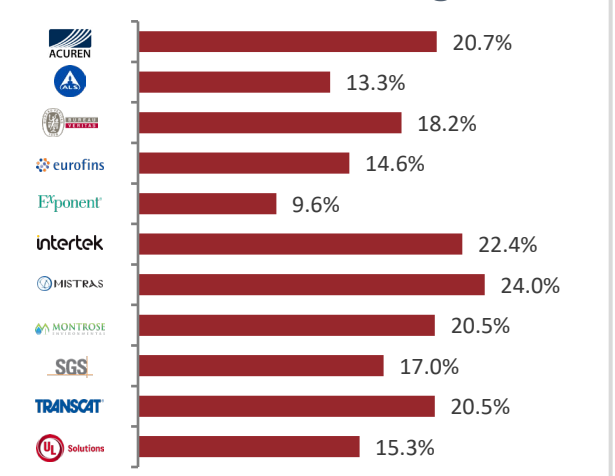
### LTM Gross Margin<sup>1</sup>



### NTM EBITDA Forecast<sup>1</sup>



### LTM EBITDA Margin<sup>1</sup>



Public Market Observations<sup>1</sup>

Company	Market Capitalization	Enterprise Value	% of 52 Week High	1-year Stock Performance	3-Year Stock Performance	5-Year Stock Performance	10-Year Stock Performance	Revenue Growth		Enterprise Value /			
								2023	2024	'23 Rev.	'24 Rev.	'23 EBITDA	'24 EBITDA
<b>Large Cap TICC</b>													
Bureau Veritas SA	\$13,753	\$15,815	83.6%	(6.9%)	26.6%	54.9%	29.9%	6.7%	(0.3%)	2.5x	2.5x	12.4x	12.3x
Eurofins Scientific SE	13,179	17,175	90.9%	27.3%	9.9%	3.8%	59.4%	0.5%	(0.1%)	2.4x	2.4x	11.9x	11.0x
Intertek Group plc	9,796	11,324	83.3%	(4.8%)	39.2%	(6.7%)	42.5%	10.2%	0.7%	2.7x	2.7x	12.2x	11.9x
SGS SA	20,517	24,225	85.0%	(5.9%)	10.9%	16.8%	26.5%	10.4%	(5.3%)	3.1x	3.2x	13.7x	14.6x
UL Solutions Inc.	13,409	13,962	91.8%	39.4%	NM	NM	NM	NM	NM	NA	4.9x	NA	21.4x
<b>Large-Cap TICC Median</b>	<b>\$13,409</b>	<b>\$15,815</b>	<b>85.0%</b>	<b>(4.8%)</b>	<b>18.7%</b>	<b>10.3%</b>	<b>36.2%</b>	<b>8.5%</b>	<b>(0.2%)</b>	<b>2.6x</b>	<b>2.7x</b>	<b>12.3x</b>	<b>12.3x</b>
<b>Small Cap TICC</b>													
Acuren Corporation	\$2,294	\$2,977	79.5%	11.8%	NM	NM	NM	NM	NM	NA	2.7x	NA	16.0x
ALS Limited	6,511	7,737	99.5%	27.1%	62.9%	95.5%	149.4%	NM	1.4%	4.6x	4.5x	17.1x	17.7x
Exponent, Inc.	3,538	3,386	60.0%	(35.2%)	(23.1%)	50.6%	190.5%	8.3%	2.4%	6.7x	6.6x	24.4x	23.4x
Mistras Group, Inc.	299	533	76.5%	(11.7%)	101.9%	210.9%	(49.6%)	1.5%	4.6%	0.8x	0.7x	8.2x	6.6x
Montrose Environmental Grc	1,052	1,406	95.6%	4.9%	(30.9%)	18.6%	NM	13.5%	12.4%	2.3x	2.0x	17.8x	14.8x
Transcat, Inc.	697	761	54.6%	(40.7%)	(2.2%)	359.4%	620.2%	11.0%	10.7%	3.1x	2.8x	21.5x	18.9x
<b>Small-Cap TICC Median</b>	<b>\$1,673</b>	<b>\$2,191</b>	<b>78.0%</b>	<b>(3.4%)</b>	<b>(2.2%)</b>	<b>95.5%</b>	<b>170.0%</b>	<b>9.7%</b>	<b>4.6%</b>	<b>3.1x</b>	<b>2.7x</b>	<b>17.8x</b>	<b>16.8x</b>

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# Connect With Us



# Our Team

Our energy, power and infrastructure group, technology group, and business services group collaborate to advise companies investing in the TICC sector worldwide.

## Recent Harris Williams TICC Activity

**SI SHERMCO**  
— a portfolio company of —  
**GRYPHON INVESTORS**  
— is being acquired by —  
**Blackstone**

**DCCM**  
— a portfolio company of —  
**WHITE WOLF CAPITAL GROUP**  
— has been acquired by —  
**SQUARE**

**KOHLBERG & COMPANY**  
— has acquired —  
**RESA POWER**  
Reliable and Safe. The Power of Us.  
— a portfolio company of —  
**INVESTCORP**

**PB PYE BARKER**  
— a portfolio company of —  
**ALTAS LGP**  
— has received minority investments from —  
**ADIA GIC**

**Apax**  
— has acquired —  
**veriforce**  
— a portfolio company of —  
**THOMABRAVO**

## Connect With Our Team

Learn more about our deep expertise unlocking value for great businesses in the professional and tech-enabled services sector:



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**75%** Revenue from repeat clients

**83%** Managing Directors promoted from within the firm

**30+** Year history



-  Aerospace, Defense & Government Services
-  Business Services
-  Consumer
-  Energy, Power & Infrastructure
-  Healthcare & Life Sciences
-  Industrials
-  Technology
-  Transportation & Logistics

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