



Engineering & Construction

QUARTERLY SECTOR UPDATE | Q1 2023

HW Harris Williams

What We're Reading

With IIJA Nearly a Year Old, White House Seeks to Speed Up Projects



"As the Biden administration continues to release more funds from the \$1.2-trillion Infrastructure Investment and Jobs Act (IIJA), top officials are putting a spotlight on finding ways to step up the pace for IIJA projects' delivery, from planning and permitting through engineering and construction."

"Federal agencies are focused on moving quickly on design, construction and permitting, but ... more than 90% of IIJA's funds will flow to states and other nonfederal entities, which will be the ones that issue project contracts."

"The action plan includes a new U.S. DOT 'project delivery center of excellence,' to help nonfederal project managers plan and implement infrastructure projects."

"Faster federal permitting—an issue that gained high visibility through Sen. Joe Manchin's unsuccessful efforts to include permitting reforms in the recently enacted stopgap spending bill—also is in the action plan."

[ENR](#)

Preparing for the Imminent Surge in Infrastructure Projects



"According to the American Society of Civil Engineers (ASCE) ... 43% of the public roadways in the United States remain in poor or mediocre condition, with almost 231,000 bridges needing repair—nearly 8% of them structurally deficient."

"The U.S. Infrastructure Investment and Jobs Act (IIJA), signed into law in November 2021, is a historic, \$550 billion investment to address deteriorating infrastructure, including projects to improve public transportation, roadways and water and energy distribution systems."

"Now is the time for all construction professionals to upskill and embrace new technology being used to bring projects to life. Organizations can also help to offset this growing labor shortage by offering their employees the skills they need to successfully execute projects on time, within scope and on budget."

[Construction Dive](#)

AI Is Coming for Construction, Experts Say



"With its ability to learn, solve problems and recognize patterns at a velocity and scale no human will ever match, artificial intelligence is poised to reshape how buildings are designed, built and operated — and 2023 will be the year it takes hold."

"AI can reduce expensive errors and worksite injuries; train and eventually replace increasingly scarce workers; enhance sustainability and circularity; design, maintain and operate buildings; and clean up and give transparency to the supply chain."

"In an industry that's never been known for welcoming change, technological resistance is certainly a factor in lagging AI adoption. But the biggest obstacle construction companies face, both individually and collectively, is getting a handle on their data."

[Construction Dive](#)

Reducing Embodied Carbon in New Construction



"Embodied carbon—the greenhouse-gas (GHG) emissions associated with construction—is by nature irreversible once an asset is built. Embodied carbon includes the CO2 emitted from extraction and manufacturing processes to create construction materials and the transport of materials and equipment to a project site, as well as all the emissions associated with the actual construction operations required for the installation of the materials."

"\$9.2 trillion per year will need to be spent on capital assets to meet global net-zero targets set forth in the Paris Agreement by 2050. Of that \$9.2 trillion ... \$7.2 trillion—more than three-quarters of the total—needs to be spent on new construction."

"Three actions—repurposing existing assets or materials, using lower-emission materials, and using electric construction equipment—can each lower embodied carbon on most construction projects, regardless of what is being built."

[McKinsey](#)

Select Recent M&A Transactions

Announced December 21, 2022



TYLin Acquires Greeley and Hansen

- TYLin, a globally recognized, full-service infrastructure consulting firm specializing in cost-effective designs for the global infrastructure market, has acquired Chicago-based sustainable engineering company Greeley and Hansen
- The acquisition expands TYLin's water-related engineering capabilities and advances the company's strategy to become a leader in the U.S. water sector

Announced November 2, 2022



NV5 Acquires Intrepid Engineering

- National technology, conformity assessment, and engineering consulting company NV5 has acquired Intrepid Engineering, a mechanical, electrical, and plumbing system design firm located in Las Vegas, Nevada
- The addition of Intrepid Engineering brings long-term, diversified public and private clients in the southwestern United States that serve healthcare, education, retail, and public facilities end markets

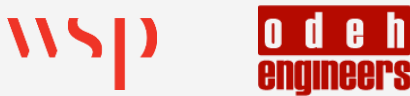
Announced October 12, 2022



TranSystems Acquires Overland, Pacific & Cutler

- National transportation engineering and construction firm TranSystems has acquired Overland, Pacific & Cutler, a real estate consulting firm located in Long Beach, California, specializing in right-of-way and infrastructure services
- The acquisition of Overland, Pacific & Cutler expands TranSystems' key right-of-way, relocation, and utility coordination services across the United States

Announced October 3, 2022



WSP Global Acquires Odeh Engineers

- WSP Global, a leading engineering and professional services company, has acquired Odeh Engineers, a nationally recognized building structural design company
- The acquisition deepens WSP's existing capabilities in the complex healthcare, science, and technology markets; strengthens offerings in other key sectors; and expands services to clients in the northeastern United States

Announced October 3, 2022



POWER Engineers Acquires Hardy Engineering

- National engineering and environmental consulting firm POWER Engineers has acquired Hardy Engineering, an Alabama-based power delivery engineering and design firm
- The addition of Hardy Engineering strengthens service offerings in the Gulf Coast and Southeast regions, which face significant system hardening and grid modernization challenges

Recent M&A Transactions

Announced Date	Target	Target Description	Acquirer
12/30/2022	Sustainable Modular Management	U.S.-based provider of commercial modular construction and design services serving commercial offices and educational, medical, and governmental buildings	Pacific Mobile Structures
12/21/2022	Greeley and Hansen	U.S.-based provider of engineering solutions for water, wastewater, water reuse, and solid waste challenges	TYLin
12/20/2022	Concrete Construction Services of Arizona	U.S.-based provider of construction and engineering services specializing in building residential single-family home concrete foundations, preparation, pouring, and finishing	Sterling Construction
12/20/2022	OMM Engineering	U.S.-based civil engineering services provider of planning, design, construction management, and operation and maintenance services	Holland Engineering
12/19/2022	TTL Associates	U.S.-based provider of engineering services offering environmental, geotechnical engineering, industrial hygiene, materials testing, and drilling solutions	CT Consultants
12/16/2022	Rydalch Electric	U.S.-based electrical construction company providing electrical construction, design, engineering, and installation services	Commonwealth Electric Company of the Midwest
12/15/2022	Granbury Excavating	U.S.-based provider of site design, excavation work, septic installation, and material hauling services	Rogers Group
12/7/2022	Virgo Gambill Architects	U.S.-based provider of architecture and planning services specializing in the design of healthcare, education, commercial, industrial, government, civic, and community spaces	McMillan Pazdan Smith
12/6/2022	Meyer Engineers	U.S.-based provider of civil engineering services and architectural, environmental, and construction management solutions	Thompson Holdings
12/5/2022	H2H Geoscience Engineering	U.S.-based engineering, environmental, geologic, construction, and mapping firm catering to the cement and industrial minerals industries	Bowman Consulting
12/5/2022	Midcoast Construction Enterprises	U.S.-based marine construction company specializing in the construction of boardwalks, bridges and roads, commercial docks, fender systems, marinas, and piers	MarineMax
12/2/2022	Ferebee Corporation	U.S.-based provider of civil infrastructure services specializing in the construction and maintenance of roadways	Construction Partners
12/1/2022	Ben Dyer Associates	U.S.-based provider of surveying and engineering services catering to general contractors, subcontractors, commercial builders, and homebuilders	Atwell
11/30/2022	Nu-Tek Roof Systems	U.S.-based provider of installation, repair, and maintenance services for residential and commercial structures and buildings	B&B Siding and Roofing
11/29/2022	Emerald Coast Associates	U.S.-based provider of civil and site engineering, storm drainage and flood control, land surveying and planning, development, and environmental surveying	Geopoint Surveying
11/21/2022	AppliedLogix	U.S.-based provider of engineering consulting services for the industrial equipment, alternative energy, and automotive sectors	Re:Build Manufacturing
11/21/2022	Blue Water Industries	U.S.-based provider of hot-mix asphalt plants and construction operation services	Wiregrass Construction Company
11/8/2022	Front Range Wireless	U.S.-based provider of construction for the wireless telecommunications industry	Melissa Acosta
11/7/2022	Ridley Electric	U.S.-based electrical and communications construction firm	Hewitt Young Electric

Recent M&A Transactions (Cont.)

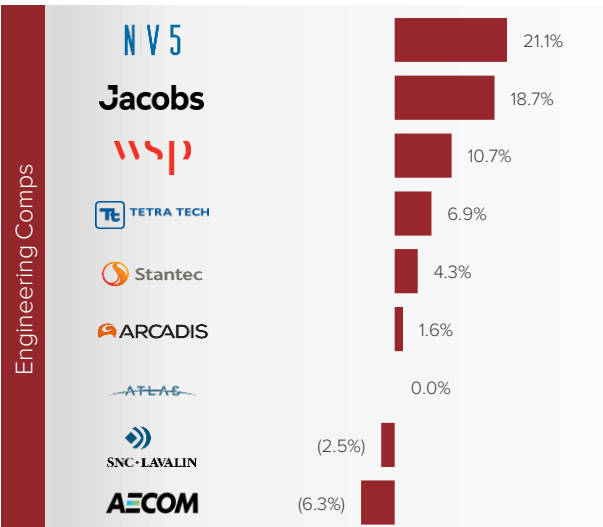
Announced Date	Target	Target Description	Acquirer
11/4/2022	Sigma Consulting Group	U.S.-based provider of engineering services for the transportation, water resources, coastal, and program management markets	Waggoner Engineering
11/2/2022	Intrepid Engineering	U.S.-based provider of mechanical, electrical, and plumbing (MEP) systems engineering services	NV5
11/1/2022	Dawson Van Orden	U.S.-based provider of civil, structural, MEP, and technology consulting services	Urban-gro
10/31/2022	Focus Companies	U.S.-based construction services provider specializing in residential plumbing, framing, electric, concrete, and fire protection	Synergos Companies
10/24/2022	Watermark Restoration	U.S.-based provider of construction, renovation, and restoration services to commercial, municipal, government, and recreational facilities	FIRST ONSITE
10/18/2022	Commercial Site Design	U.S.-based civil engineering and land surveying firm providing land development services for quick-serve restaurants, fast-casual diners, and retail stores	Sambatek
10/14/2022	CFC Construction	U.S.-based construction company providing comprehensive preconstruction and construction services	Big-D Construction
10/12/2022	Overland, Pacific & Cutler	US-based right-of-way and infrastructure engineering and consulting services provider	TranSystems
10/10/2022	Urbane Newhaven	U.S.-based provider of residential design, ground-up development, construction management, multifamily, construction oversight, and restoration services	Sachem Capital
10/5/2022	The Milcor Group	U.S.-based engineering services provider specializing in construction inspection, roadway design, water and wastewater system design, and stormwater management	Haley and Ward
10/5/2022	Mitchell Engineering	U.S.-based telecommunications engineering and consulting firm specializing in outside plant engineering and design services	JSI
10/5/2022	CT Consultants	U.S.-based engineering, architectural, and planning services firm	Henry T. Welka and Associates
10/4/2022	Biarri Networks	U.S.-based operator of a global telecom engineering company	Dura-Line
10/4/2022	Hygenix	U.S.-based provider of environmental consulting, testing, and laboratory services	Pennoni
10/3/2022	Henry T. Welka & Associates	U.S.-based provider of land surveying, civil engineering, and land planning services catering to residential, commercial, and institutional customers	CT Consultants
10/3/2022	HG Design Studio	U.S.-based landscape architecture and civil engineering firm providing civil and structural engineering, geomatics, transportation, and construction services	Vanasse Hangen Brustlin
10/3/2022	Jose Carballo Architectural Group	U.S.-based architectural services provider	Michael Graves Architecture & Design
10/3/2022	Odeh Engineers	U.S.-based structural engineering services provider offering design, building evaluation and rehabilitation, and facilities engineering	WSP Global
10/3/2022	Pangolin Structural	U.S.-based provider of structural engineering, design, and consulting services	Kimley-Horn

Recent M&A Transactions (Cont.)

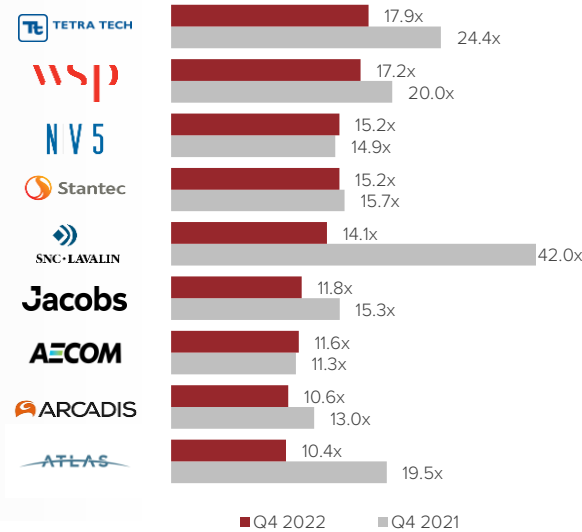
Announced Date	Target	Target Description	Acquirer
10/3/2022	Hardy Engineering	U.S.-based power delivery engineering and design firm	POWER Engineers
10/3/2022	ECM International	U.S.-based provider of construction management and project management for the local government, education, housing, roadways, airports, and utilities sectors	Johnson, Mirmiran & Thompson
10/3/2022	Quantum Environmental & Engineering Services	U.S.-based engineering, architectural, planning, and design firm	Fisher Arnold
10/1/2022	Dunlap Engineering	U.S.-based provider of engineering consulting services specializing in structural design, forensic engineering, and connection design	Tarantino Engineering Consultants

Public Valuations¹

5-Year Revenue CAGR



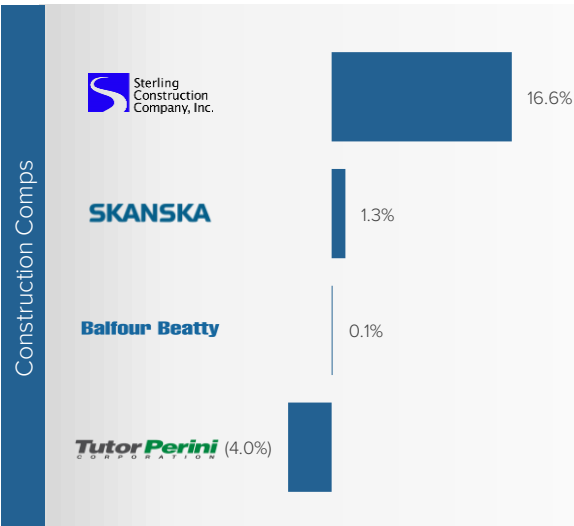
Quarterly EV / EBITDA Multiples



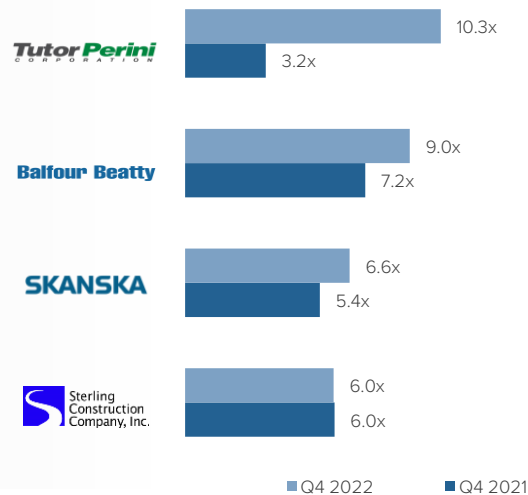
Trended EV / EBITDA Multiples



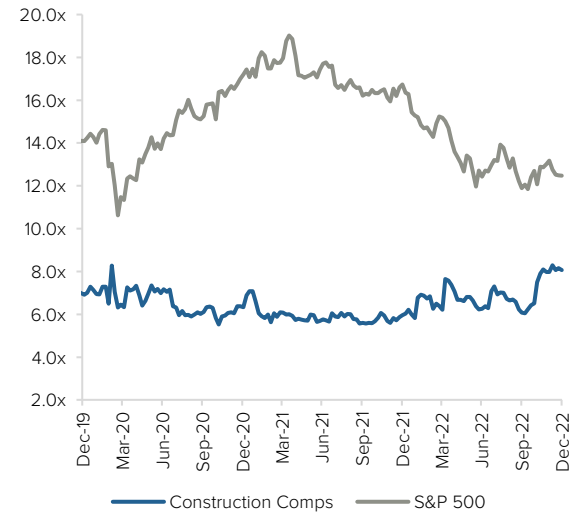
5-Year Revenue CAGR



Quarterly EV / EBITDA Multiples



Trended EV / EBITDA Multiples



Harris Williams Engineering & Construction Overview

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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Deep Industry Experience



Aerospace, Defense
& Government
Services



Business
Services



Consumer



Energy, Power
&
Infrastructure



Healthcare &
Life Sciences



Industrials



Technology



Transportation
& Logistics

70% Revenue from
repeat clients

83% Managing directors
promoted from
within the firm

30+ Year
history



Sources

1. Capital IQ

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