



TESTING, INSPECTION & CERTIFICATION

QUARTERLY SECTOR REVIEW | Q4 2019

HW Harris Williams

HARRIS WILLIAMS OVERVIEW

GLOBAL ADVISORY PLATFORM

- Founded in 1991
- 350+ professionals across eight offices globally
- 170+ closed transactions in the last 24 months
- 21st record year in 2018
- 10 dedicated industry groups



HW TESTING, INSPECTION & CERTIFICATION (“TIC”) SECTOR FOCUS AREAS

BUILDINGS & INFRASTRUCTURE

- Design Review
- Commercial, Residential, and Civil Inspection
- Project and Construction Management
- Construction Materials Testing
- Structure Integrity Analysis

CONSUMER

- Product Failure Analysis
- Environmental Impact Testing
- Consumer Products Testing
- Trade Certification and Auditing
- Expert Witness Services

ENERGY / OIL & GAS

- Oil, Fuel, Liquids, and Chain of Custody Testing
- Energy Infrastructure Inspection and Testing
- Integrity Management
- Corrosion Monitoring
- Production Analytics and Measurement

ENVIRONMENTAL

- Stormwater Management
- Emissions Monitoring and Testing
- Soil, Water, and Air Testing
- Environmental Consulting
- Industrial Hygiene

FOOD & AGRICULTURE

- Pesticide, Soil, and Seed/Crop Testing
- FDA Audit and Compliance
- Chemical and Nutritional Testing
- Food Production Assessments
- Food Contaminant Testing

LIFE SCIENCES

- Pharmaceuticals Testing
- Medical Device Testing
- Ecological Toxicology
- Residue and Analytical Chemistry
- Soil, Plant, Animal Metabolism

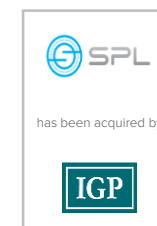
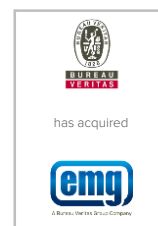
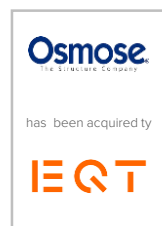
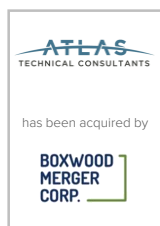
POWER & UTILITIES

- T&D Inspection & Testing
- Electrical Inspection & Testing
- Renewables Testing and Inspection
- In-Plant Inspection
- Reliability Services

TRANSPORTATION & AEROSPACE

- Supplier and Supply Chain Audits
- 3rd Party Assessments
- Performance Management Services
- Aerospace and Automotive Parts Testing
- Manufacturing Inspection

SELECT RECENT HW TIC TRANSACTIONS



CONTENTS

- [DEAL SPOTLIGHT](#)
- [M&A TRANSACTIONS](#)
- [TIC PUBLIC COMPANY VALUATIONS](#)
- [TIC PUBLIC COMPANY BENCHMARKING](#)

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SELECT TIC M&A TRANSACTIONS

Announced September 27, 2019



Eddyfi Technologies acquires NDT Global

- NDT Global is a Germany based provider of ultrasonic pipeline inspection and data analysis services for onshore and offshore pipelines.
- Eddyfi Technologies is currently a portfolio company of Caisse de Dépôt et Placement du Québec.

Announced September 25, 2019



Clayton, Dubilier & Rice takes minority stake in Socotec

- Socotec is a France based provider of inspection and measurement services for engineering structures, facilities, and equipment. Socotec is currently a portfolio company of Cobepa.
- Clayton, Dubilier & Rice's investment will provide the group with 33% ownership stake.

Announced September 10, 2019



Shermco Industries acquires NextGen Technologies

- NextGen Technologies is a Canada based provider of integrated electrical testing services including design, testing, commissioning, maintenance, and repairs of protection and control systems.
- Shermco Industries is currently a portfolio company of Gryphon Investors.

Announced September 4, 2019



Socotec acquires Vidaris

- Vidaris is a leading provider of assurance services, building design, efficiency and dispute resolution in the construction, real estate, infrastructure and industrial fields.
- Vidaris was previously a portfolio company of Cortec Group. Socotec is currently a portfolio company of Cobepa.

Announced August 22, 2019



Montrose Environmental Group acquires Air, Water & Soil Laboratories

- Air, Water & Soil Laboratories is a leading testing services and data analysis of wastewater, drinking water, soil, solids, and air in the mid-Atlantic.
- Montrose Environmental Group is currently a portfolio company of GFI Oaktree Capital Management.

Announced August 16, 2019



The Riverside Company acquires Performance Systems Integration

- Performance Systems Integration is a leading provider of fire and life safety services including system inspection, service, and monitoring to clients in the Pacific Northwest.
- Performance Systems Integration was previously a portfolio company of Peterson Partners.

Announced August 13, 2019



Boxwood Merger Corporation has reached an agreement to acquire Atlas Technical Consultants

- Atlas Technical Consultants, currently a portfolio company of Bernhard Capital Partners, is a leading provider professional testing, inspection, engineering, and consulting services to public and private infrastructure.
- Harris Williams is serving as the lead advisor to Atlas Technical Consultants.

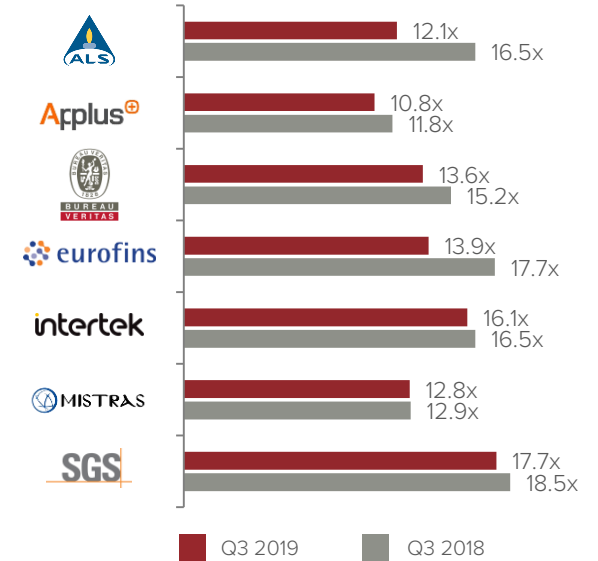
TIC PUBLIC COMPANY VALUATIONS¹

EV / EBITDA MULTIPLE

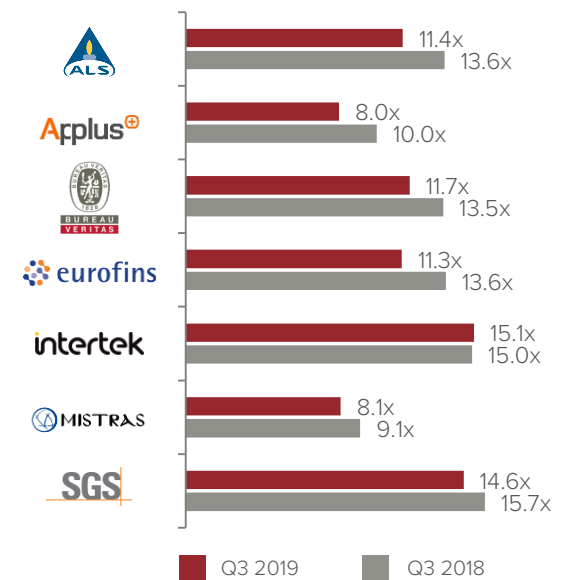
(Median of ALQ-AU; APPS-ES; BVI-FR; ERF-FR; ITRK-GB; MG-US; SGSN-CH)



EV / LTM EBITDA MULTIPLE

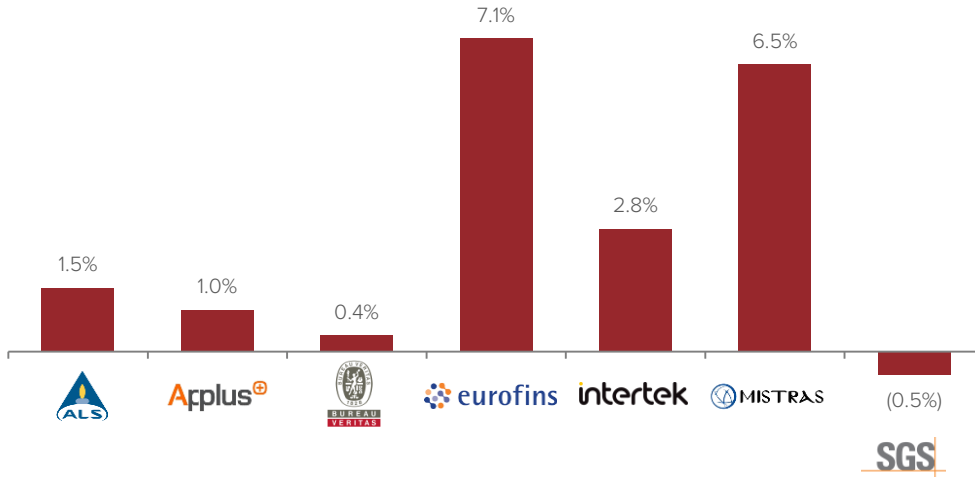


EV / NTM EBITDA MULTIPLE

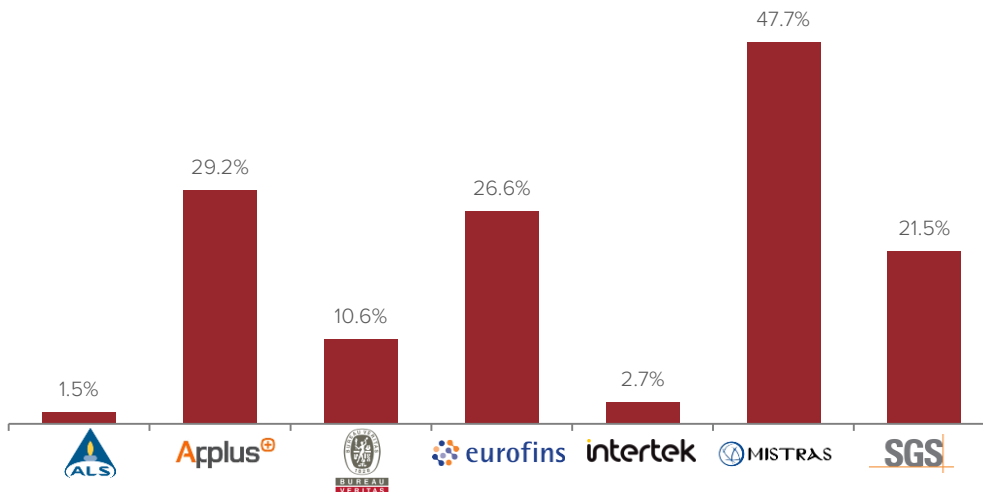


TIC PUBLIC COMPANY BENCHMARKING¹

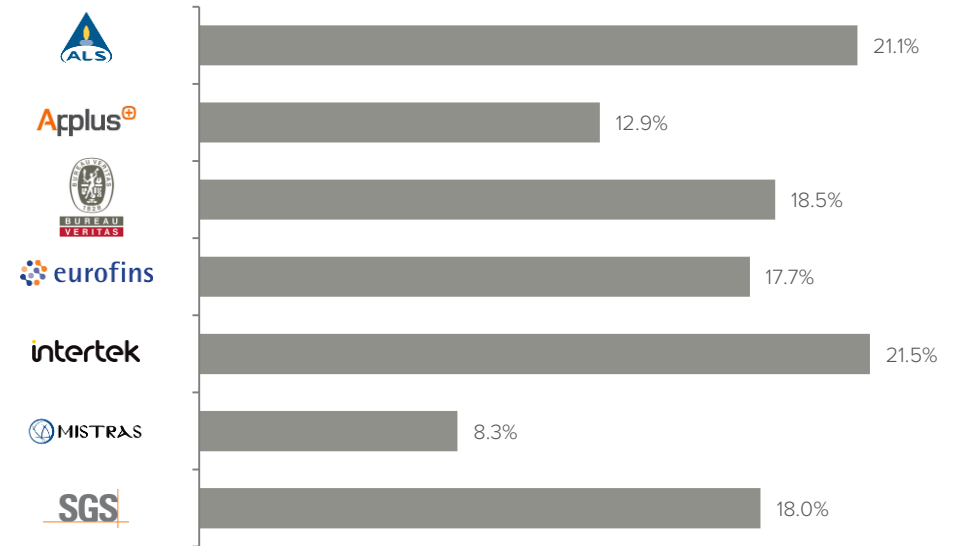
NTM REVENUE GROWTH FORECAST



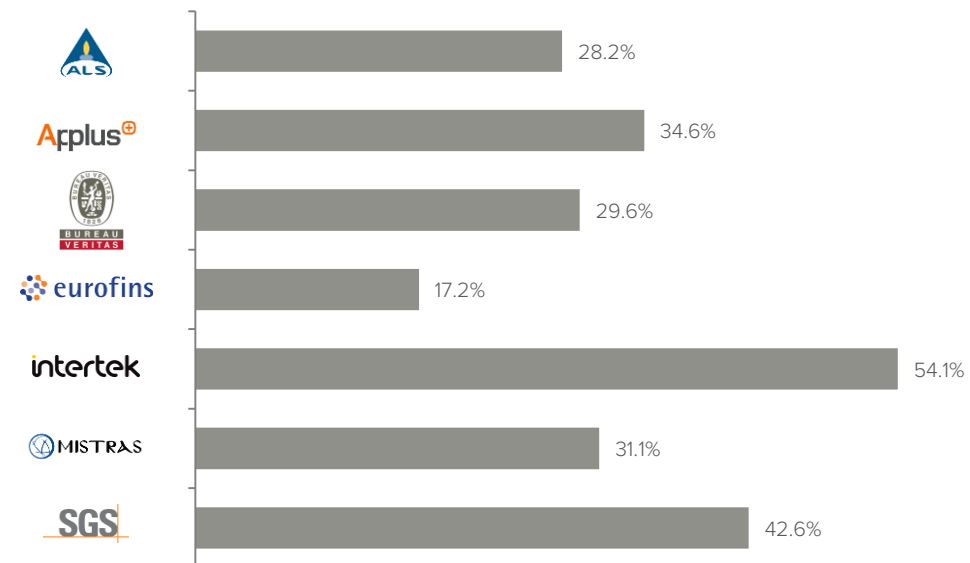
NTM EBITDA GROWTH FORECAST



LTM EBITDA MARGIN



GROSS PROFIT MARGIN



Our Firm

Harris Williams has a broad range of industry expertise, which create 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.

Industry Group Expertise

AEROSPACE, DEFENSE & GOVERNMENT SERVICES

BUSINESS SERVICES

ENERGY, POWER & INFRASTRUCTURE

SPECIALTY DISTRIBUTION

TRANSPORTATION & LOGISTICS

BUILDING PRODUCTS & MATERIALS

CONSUMER

HEALTHCARE & LIFE SCIENCES

INDUSTRIALS

TECHNOLOGY, MEDIA & TELECOM

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Sources

1. CapIQ

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