




Testing, Inspection, Certification & Compliance Sector Brief

Harris Williams | Q1 2025


TICC Overview

TICC SERVICES OVERVIEW




Testing

Laboratory- or field-based testing that involves testing materials, components, and finished goods in order to assess compliance with specifications set by customers, accreditation bodies, or regulatory authorities




Inspection

On-site examination of products, components, or the built environment to determine compliance with specifications set by customers, accreditation bodies, or regulatory authorities.




Certification

The provision by an independent body of written assurance (a certificate) that the product, service, or system in question meets specific requirements. Certification is also known as third-party conformity assessment



Compliance

Services to assist companies in establishing practices and monitoring status of or progress toward being in accordance with existing regulations, guidelines, or specifications



Calibration


The practice of evaluating a device or instrument's accuracy, repeatability, and overall performance against a reference standard, thereby identifying and then correcting any cause of inaccuracy or unreliability

KEY TRENDS IN THE SECTOR




Regulatory Changes and Compliance Demand

Heightened regulatory scrutiny around asset health and compliance underscores the need for third-party testing verification from 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

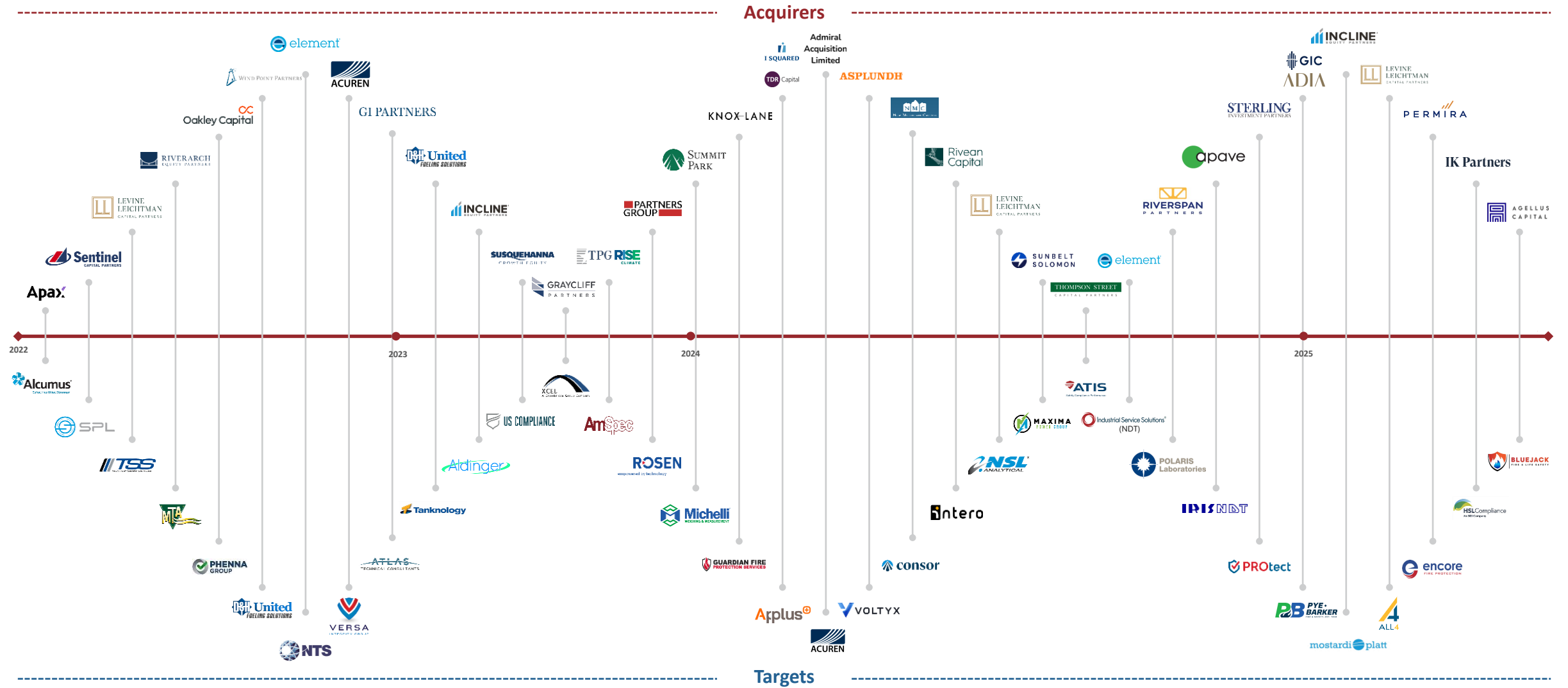
Heightened public scrutiny around sustainability raises the importance of environmental compliance to avoid penalties and maintain a positive brand image



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

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



Select Recent TICC M&A Transactions

Bluejack Fire & Life Safety formed by Agellus Capital on February 26, 2025



Target



Acquirer

CIMA Inspection acquired by USA DeBusk on February 11, 2025



Target



Acquirer

Encore Fire Protection acquired by Permira on February 6, 2025



Target



Acquirer

HSL Compliance acquired by IK Partners on February 4, 2025



Target

IK Partners

Acquirer

ALL4 acquired by Levine Leichtman Capital Partners on January 23, 2025



Target



Acquirer

Mostardi Platt acquired by Incline Equity Partners on January 16, 2025



Target



Acquirer

Pye-Barker secured minority Investments from ADIA and GIC on January 10, 2025



Target



Investors

Aster Global Environmental Solutions acquired by SGS on January 6, 2025



Target



Acquirer

Martin Calibration acquired by Transcat on December 10, 2024



Target



Acquirer

Keystone Compliance acquired by Applus+ on November 24, 2024



Target



Acquirer

Select Recent TICC M&A Transactions (Cont.)

American Scale acquired by Michelli on November 13, 2024



AMERICAN SCALE

Target



Michelli
WEIGHING & MEASUREMENT

Acquirer

Versatec Energy acquired by Bureau Veritas on November 12, 2024



versatec

Target



BUREAU
VERITAS

Acquirer

PROtect acquired by Sterling Investment Partners on November 12, 2024



Target



STERLING
INVESTMENT PARTNERS

Acquirer

Hellman Associates acquired by U.S. Compliance on November 11, 2024



Target



Acquirer

IRISNDT acquired by Apave Group on October 23, 2024



Target



Acquirer

Polaris Laboratories acquired by Riverspan Partners on October 8, 2024



Target



Acquirer

ISS Inspection Services acquired by Element on October 1, 2024



Target



Acquirer

ATIS acquired by Thompson Street Capital on September 25, 2024



Target



Acquirer

Infinity Laboratories acquired by Eurofins Scientific on September 16, 2024



Target



Acquirer

Applus+ acquired by I Squared Capital and TDR Capital on June 14, 2024



Target

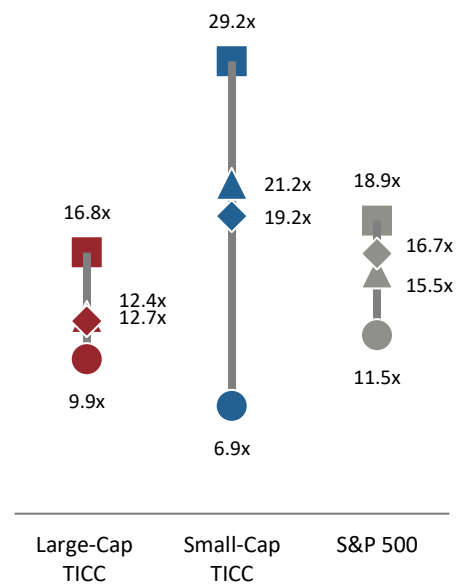
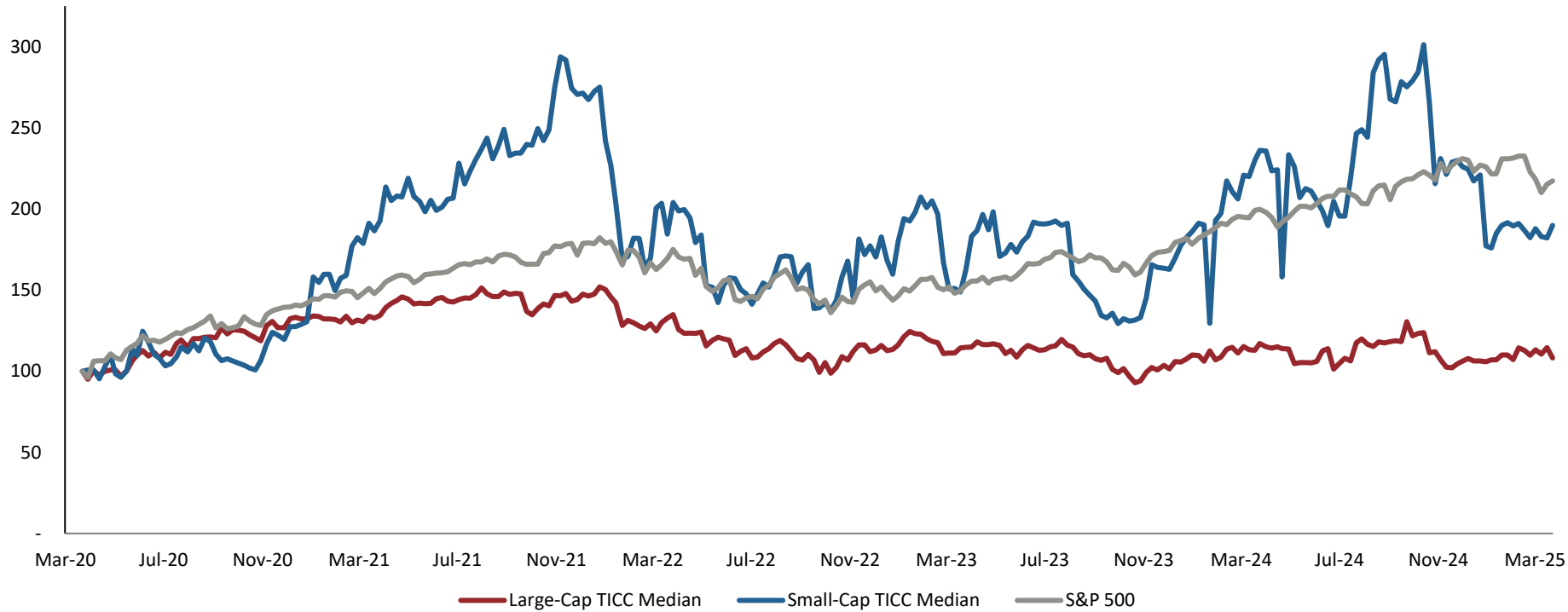


Acquirers

TICC Public Valuation Indices

Indexed Stock Price Performance for the Period March 2020 – March 2025

YTD Performance
 Large-Cap TICC: 8.9%
 Small-Cap TICC: -19.2%
 S&P 500: -2.0%



Key Public Comparables – Large-Cap TICC

Key Public Comparables – Small-Cap TICC

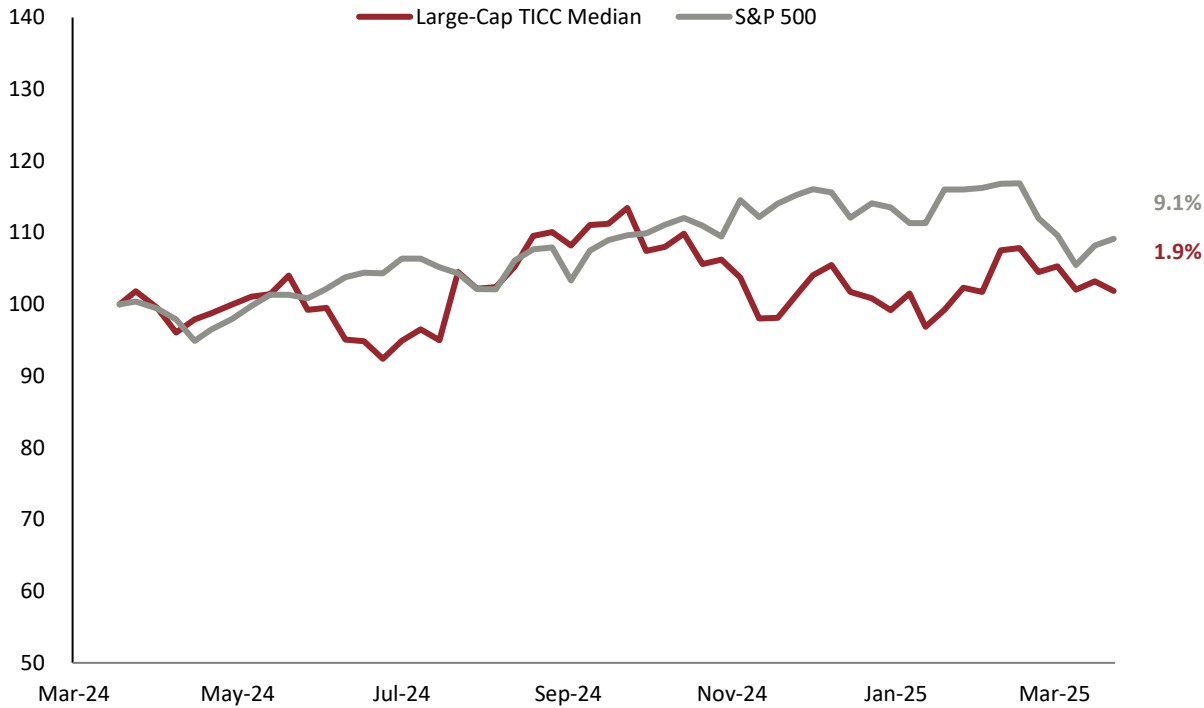
EV / EBITDA Median Comparison

- 5-Yr Maximum ▲ 5-Yr Median
- 5-Yr Minimum ◆ Current Median

TICC Public Valuation Indices (Cont.)

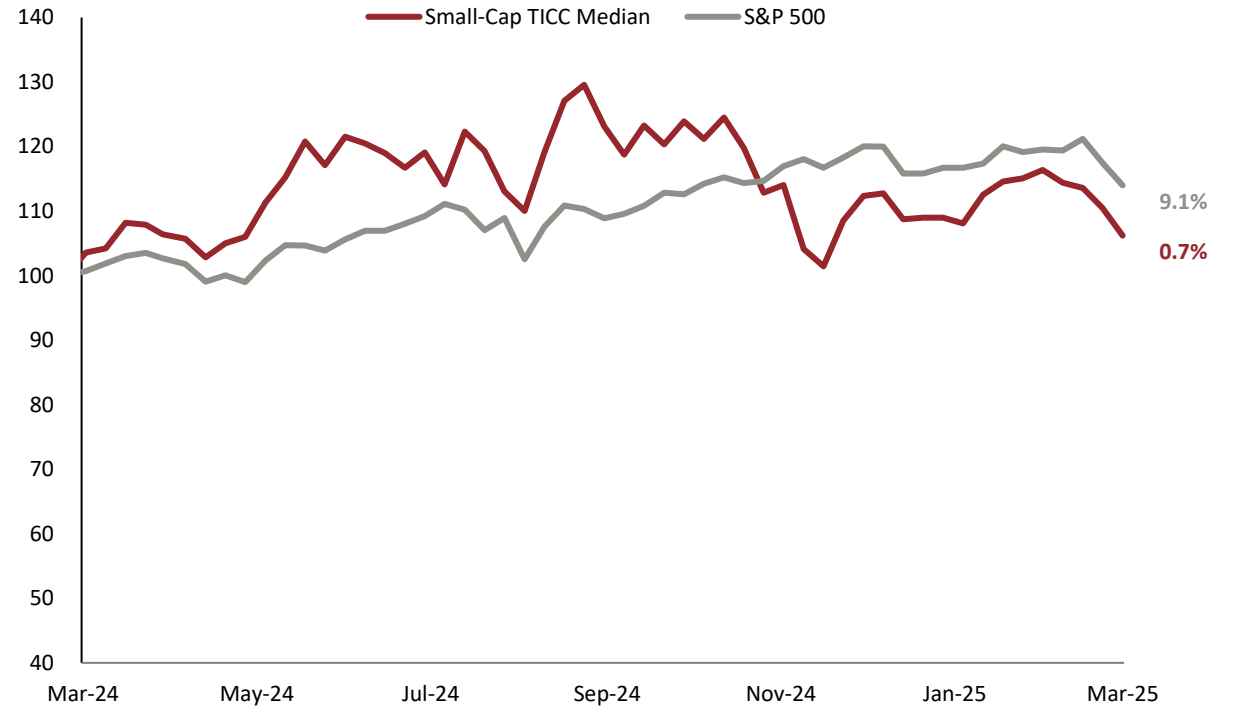
Large-Cap TICC – Last 12 Months¹

Indexed Stock Price Performance for the Period March 2024 – March 2025



Small-Cap TICC – Last 12 Months¹

Indexed Stock Price Performance for the Period March 2024 – March 2025



Key Public Comparables – Large-Cap TICC

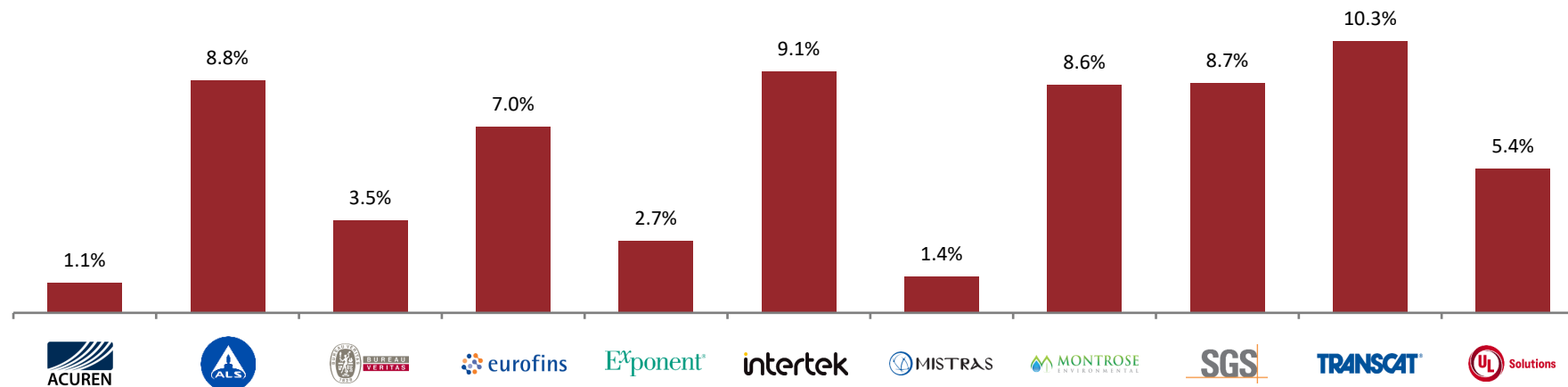


Key Public Comparables – Small-Cap TICC

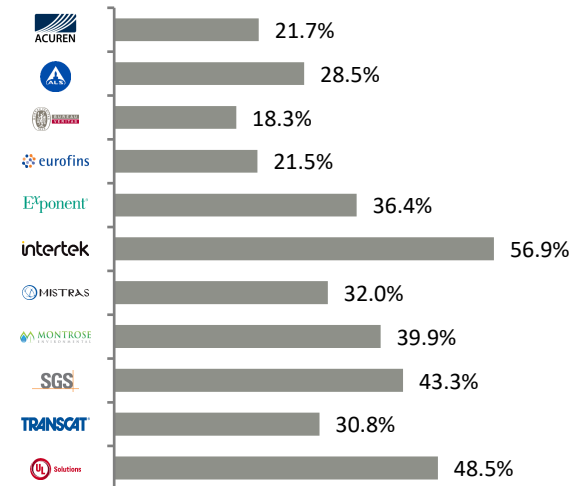


TICC Public Company Benchmarking

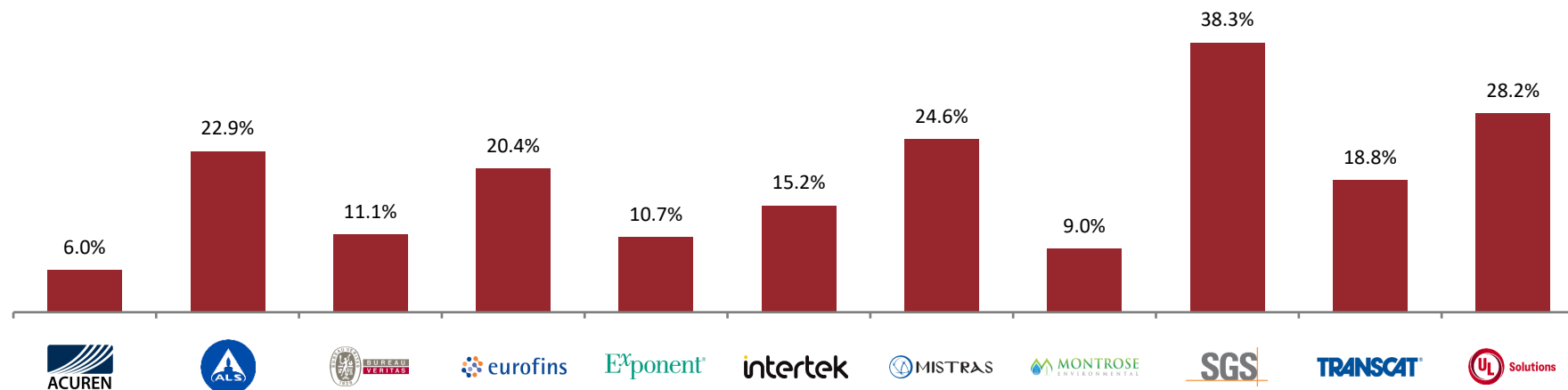
NTM Revenue Growth Forecast¹



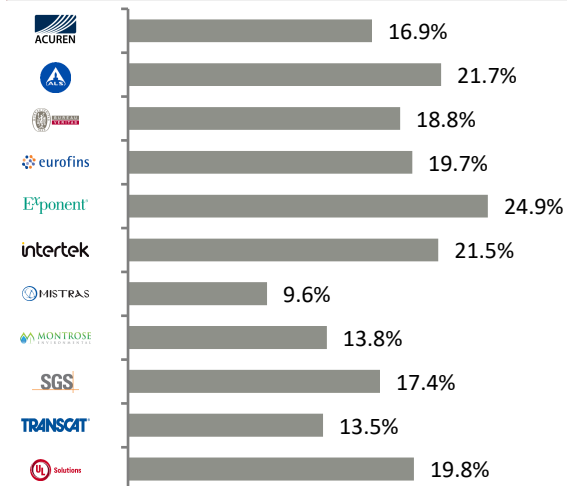
LTM Gross Margin¹



NTM EBITDA Forecast¹



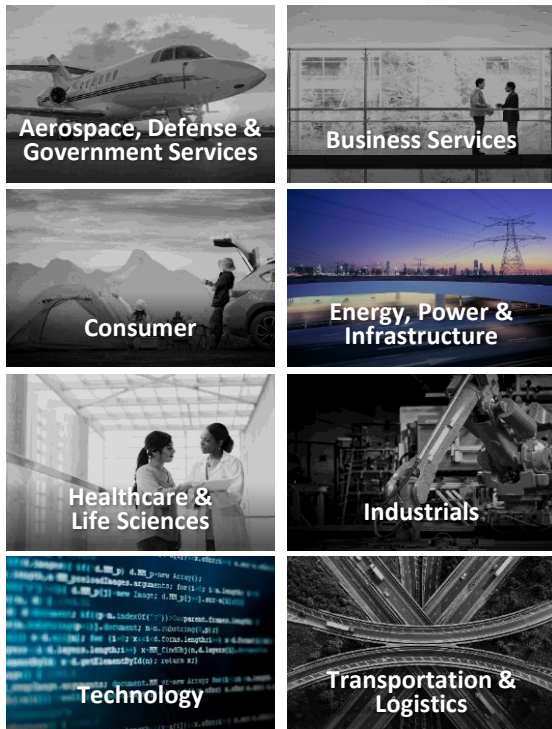
LTM EBITDA Margin¹



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Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

Core Values That Drive Success



75% Revenue from repeat clients

87% Managing Directors promoted from within

30+ Year history

Our Energy, Power & Infrastructure, Technology, and Business Services Groups collaborate to advise companies investing in the TICC sector worldwide.

PYE-BARKER
a portfolio company of
ALTAS LGP
has received minority investments from
ADIA GIC

Apax
has acquired
veriforce
a portfolio company of
THOMABRAVO

STERLING INVESTMENT PARTNERS
has acquired
PROtect
a portfolio company of
SpireCapital

ACUREN
a portfolio company of
AMERICAN SECURITIES
has been acquired by
Admiral Acquisition Limited

MAXIMA ENERGY GROUP
a portfolio company of
COPLEY | EQUITY | PARTNERS
has been acquired by
SUNBELT SOLOMON
a portfolio company of
Trilantic

consor
a portfolio company of
KEYSTONE OPERATIONAL
has been acquired by
NMC NEW MOUNTAIN CAPITAL

VOLTYX
a portfolio company of
ARCLINE INVESTMENT MANAGEMENT
has been acquired by
ASPLUNDH

GUARDIAN FIRE PROTECTION SERVICES
a portfolio company of
RHVCapital
has been acquired by
KNOX-LANE

United FUELING SOLUTIONS
a portfolio company of
KLH CAPITAL
has been acquired by
WIND POINT PARTNERS

TSS Technical Safety Services
a portfolio company of
the edgewater funds
JZ | PARTNERS
has been acquired by
LEVINE LEICHTMAN CAPITAL PARTNERS

Learn more about our experience in the space.



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HW

Appendix

Public Market Observations¹

Company	Enterprise Value	Market Capitalization	% 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
Bureau Veritas SA	\$15,513	\$13,656	89.6%	(0.1%)	4.7%	62.4%	40.0%	7.4%	(1.0%)	2.4x	2.4x	13.4x	13.2x
Eurofins Scientific SE	\$13,347	\$10,068	79.9%	(13.8%)	(44.8%)	12.3%	100.4%	0.4%	(0.1%)	1.9x	1.9x	10.2x	9.4x
Intertek Group plc	\$11,370	\$10,284	88.9%	1.8%	(4.9%)	9.2%	74.7%	10.2%	0.2%	2.7x	2.7x	12.6x	12.4x
SGS SA	\$21,749	\$18,635	88.0%	2.2%	(13.5%)	6.5%	26.7%	9.5%	(4.7%)	2.8x	2.9x	15.5x	16.7x
UL Solutions Inc.	\$11,654	\$10,990	92.7%	NM	NM	NM	NM	6.3%	7.2%	4.4x	4.1x	23.3x	20.5x
Large-Cap TICC Median	\$13,347	\$10,990	88.9%	0.9%	(9.2%)	10.8%	57.4%	7.4%	(0.1%)	2.7x	2.7x	13.4x	13.2x
ALS Limited	\$5,924	\$4,806	91.7%	16.4%	(1.1%)	199.8%	155.1%	24.8%	13.6%	3.6x	3.2x	15.1x	14.6x
Exponent, Inc.	\$3,909	\$4,086	69.5%	(1.8%)	(20.9%)	14.0%	261.6%	7.2%	2.3%	7.9x	7.7x	32.5x	32.5x
Mistras Group, Inc.	\$543	\$330	85.4%	10.5%	73.2%	169.5%	(43.1%)	2.6%	3.4%	0.8x	0.7x	9.6x	7.3x
Montrose Environmental Group, Inc.	\$881	\$521	30.3%	(60.5%)	(67.3%)	NM	NM	14.7%	11.6%	1.4x	1.3x	36.1x	36.1x
Transcat, Inc.	\$730	\$669	48.8%	(35.4%)	(3.2%)	183.3%	649.2%	11.7%	8.6%	2.9x	2.7x	22.4x	19.9x
Acuren Corporation	\$2,041	\$1,363	78.6%	24.8%	NM	NM	NM	13.1%	5.3%	1.9x	1.8x	13.7x	23.6x
Small-Cap TICC Median	\$1,461	\$1,016	74.1%	4.4%	(3.2%)	176.4%	208.3%	12.4%	6.9%	2.4x	2.3x	18.8x	21.8x



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