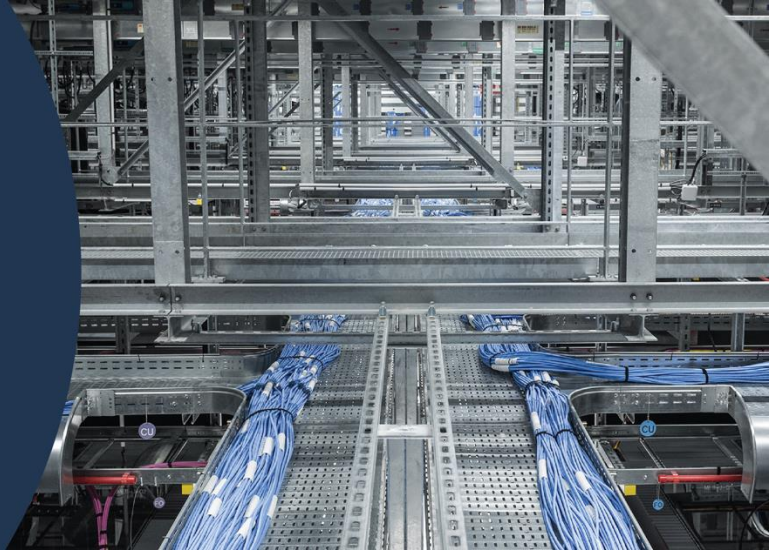




CONSTRUCTION & ENGINEERING SUMMARY REPORT

3rd Quarter 2024 M&A Outlook



"Rise in M&A Activity: Engineering and Construction Sector Sees Significant Growth" (1,2,3)

Construction spending at record levels

- Total Construction spending has grown at a rapid pace since 2019 and is forecasted to grow at a 6.2% CAGR through 2027.
- Non-residential construction once again outpaces residential construction
- This high level of spending supports Engineering and Construction firms throughout the sector:
 - Project and Construction Management contractors benefit from high levels of other infrastructure spending
 - Advanced engineering benefits from increased spending in high-tech sectors including semiconductors and datacenters

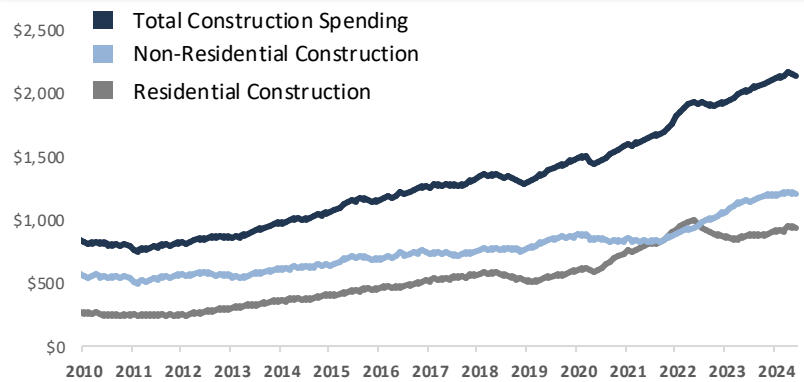
Sustained level of spending in higher tech industries and specialized manufacturing

- Significant reshoring of high-tech industries and related manufacturing supply chains
- 2022 CHIPS brought first wave of reinvestment, which has been followed by significant additional regulatory support and state legislative initiatives
- Resurgence of American manufacturing sector provides significant opportunity for continued E&C work as advanced manufacturing facilities continue to innovate new processes and technologies

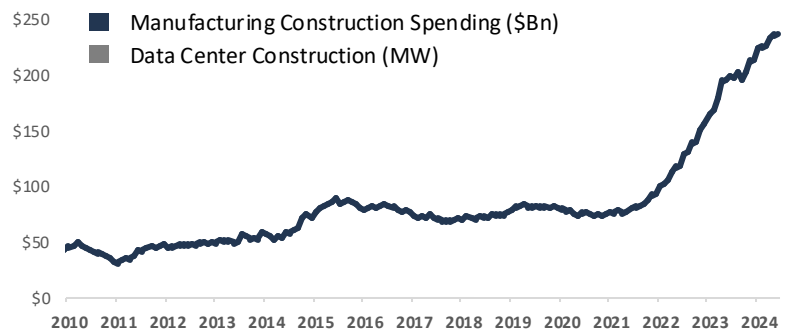
M&A in the Engineering and Construction Industry is increasing in Volume and Value.

- Since 2020 Corporate E&C firms have dominated the M&A landscape in pursuit of geographical expansion
 - Top 9 E&C firms accounted for ~10% of M&A activity in 2023
- Private equity followed the trend seeking to capitalize on heightened levels of spending, and to establish expertise and brand recognition in reshored high-tech manufacturing
- Valuation has risen from 6.1x in 2020 to 11.0x 2024 YTD

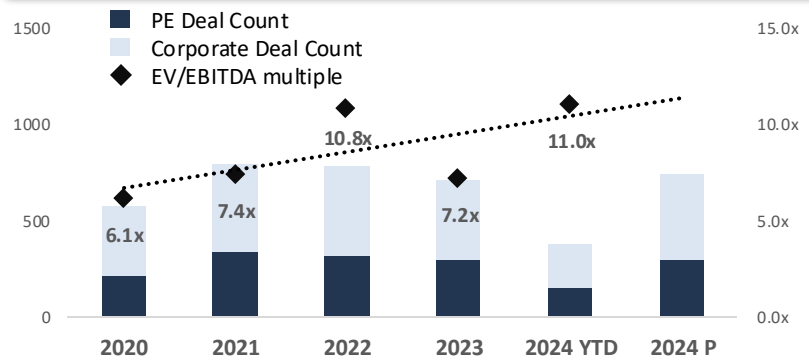
Construction Spending (\$Bn)



Manufacturing Spending (\$Bn)



Engineering and Construction M&A Overview



1) Federal Reserve, Pitchbook and RCO Research
 2) FMI 2024 North American Engineering and Construction Industry Overview
 3) Federal Reserve, Construction Dive and RCO Research

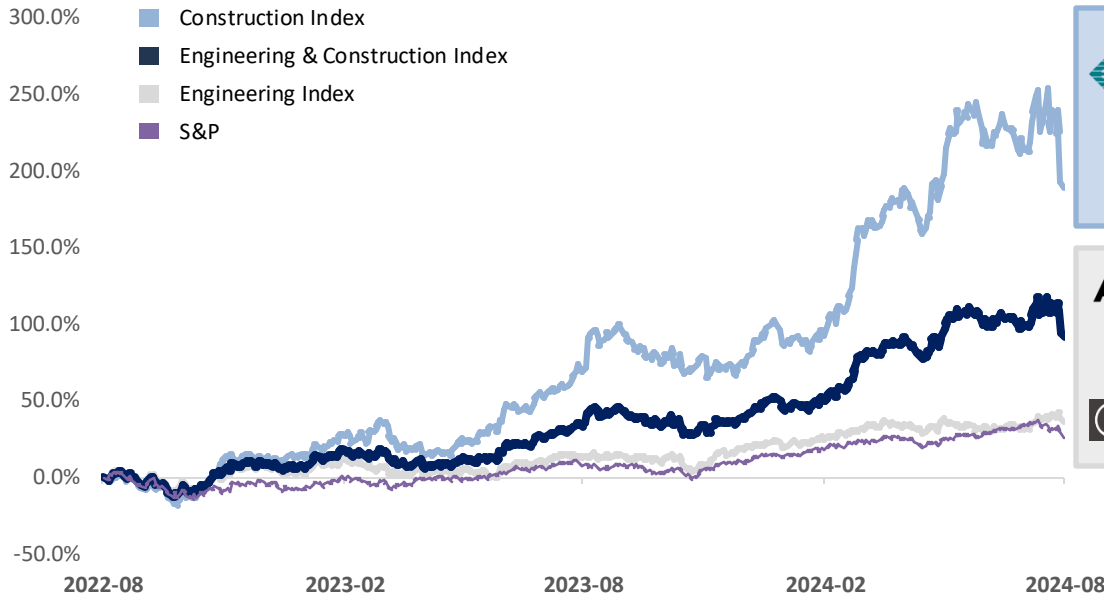


Valuation Overview: Public Company



E&C Indices: Price Performance ⁽¹⁾

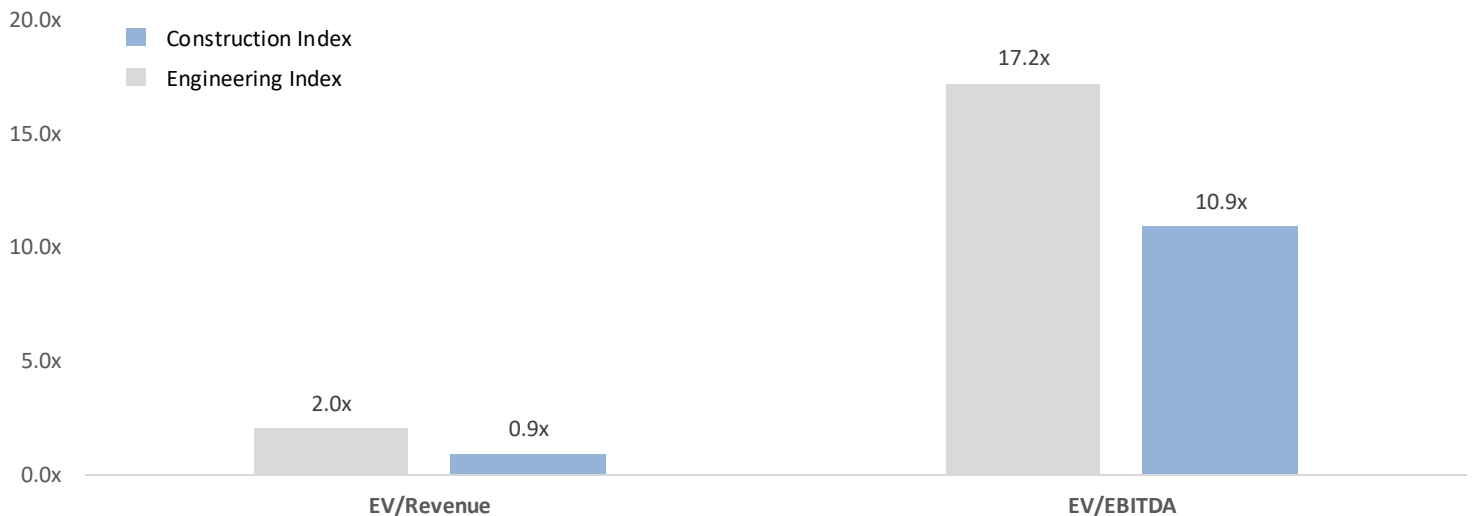
Index Price Performance



The Engineering and Construction Industry is vastly outperforming the S&P500, due in part to the post-COVID recovery of the Construction sector

E&C Indices: Valuation Performance ⁽¹⁾

Index Valuation



Valuation is high across the E&C industry, with the Engineering Sector receiving a valuation premium, signaling higher growth in this sector.

1) Public company filings, Pitchbook and RCO Research

Recent Transactions | Construction & Engineering



Date	Acquirer	Target	Description
Aug-24			Arcosa, Inc. (NYSE: ASC) a Dallas, TX-based provider of infrastructure-related products and solutions with leading positions in construction, engineered structures, and transportation markets, has acquired the construction materials business of Stavola Holding Corporation for approximately \$1.2 billion in cash.
Jul-24			Vantage Point Solutions has acquired BKI Engineering Services , including wholly-owned subsidiary Utility Resource Collaborative. The move adds power engineering and wildfire mitigation planning expertise to the existing broadband engineering and consulting services of the acquirer.
Jul-24			Cupertino Electric , a California-based electrical engineering and construction company, has been acquired in a \$1.5 billion transaction by Quanta Services (NYSE: PWR). The transaction is intended to increase Quanta's exposure to the technology industry, a growing market of critical infrastructure requiring comprehensive power solutions.
Jul-24			Ampirical Solutions , a leading provider of engineering services and software for the power end-market, has received a growth investment from SkyKnight Capital to enhance its service offerings and capabilities to better serve its customers. Founders will remain significant shareholders alongside SkyKnight, and the existing management team will continue to lead the Company.
Apr-24			Sekisui House , a Japanese residential construction company, through its U.S. business controlling company, has acquired M.D.C. Holdings , one of the leading homebuilders in the U.S. The transaction was valued at \$4.9 billion, and adds MDC to Woodside Homes, Holt Homes, Chesmar Homes and Hubble Homes. Sekisui House Group will have an annual supply of approximately 15,000 units across 16 states in the U.S.
Mar-24			United Rentals Inc. (NYSE: URI) has acquired YAK Access , a portfolio company of Platinum Equity , for approximately \$1.1 billion in cash. Yak is a leader in the North American matting industry, providing surface protection across both construction and maintenance, repair and operations (MRO) applications. Yak predominantly serves customers in the utility and midstream verticals. United Rentals sees significant potential to grow the matting business over the next several years, supported by attractive secular opportunities across both the energy and power markets, funded by public and private investments.
Mar-24			Ameron Pole Products , a leading manufacturer of highly engineered, premium concrete and steel poles for a broad range of infrastructure applications, including lighting, traffic, electric distribution, and small-cell telecom, has been acquired by Dallas, TX-based Arcosa (NYSE: ACA) in a transaction valued at \$180 million, from NOV, Inc. (NYSE: NOV).
Jan-24			H.I.G. Capital , a San Francisco, CA-based global alternative investment firm with \$60 billion of capital under management, announced that one of its affiliates has acquired CHA Consulting, Inc. , a leading full-service engineering, design, consulting, and program management firm providing a range of technology-enabled services to public, private, and institutional clients.

ROMANCHUK & CO. FIRM CAPABILITIES



Romanchuk & Co. is a boutique investment banking firm providing strategic advisory services to our clients across the middle-market, including sourcing, initiating, structuring and negotiating mergers and acquisitions, raising capital, as well as providing valuation and restructuring services. Our team of licensed investment banking professionals specializes in advising owners and

investors of privately-held businesses, private equity firms and corporations on the preparation and sale of their company, facilitating mergers and acquisitions, guiding companies through capital raises, and assisting in identifying and executing upon strategic opportunities. For more information, please visit our website at www.romanchukco.com.

INDUSTRY EXPERTISE

Our most recently closed deals showcase our firm's unique ability to execute transactions across the industrial services sector while maximizing value for our clients in the middle-market. Drawing on our collective industry experience, Romanchuk & Co. is focused on providing creative, impactful M&A strategies to our clients across the diversified industrials sector.



FIRM RECOGNITION



Romanchuk & Co.'s recent transaction "Front Line Power Construction Acquired by Orbital Infrastructure Group" was selected as the 2022 Utility, Power & Infrastructure Deal of the Year by the Houston Chapter of the Association for Corporate Growth. The transaction was also selected as the winner of the Houston Impact Award, which recognizes the transaction that drives the most middle-market growth in the Houston region.

Contact Us



Brad Romanchuk
Managing Director
(281) 719-9285
brad@romanchukco.com



John Reader
Senior Associate
(281) 719-9332
john@romanchukco.com

Houston, Texas | Phoenix, Arizona | www.romanchukco.com