



ENGINEERING & CONSTRUCTION

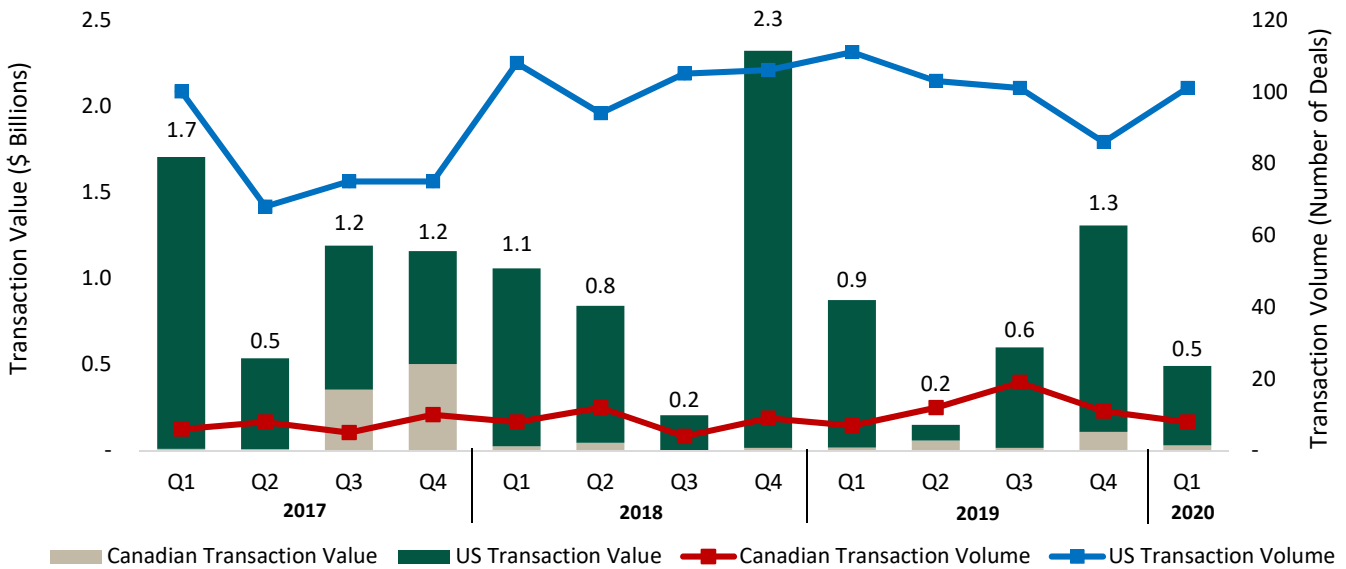
QUARTERLY UPDATE

Q1 2020

M&A OVERVIEW

TRANSACTIONS & PERFORMANCE

MID-MARKET ENGINEERING & CONSTRUCTION M&A ACTIVITY



Capital IQ - Data as of March 31, 2020.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million. All figures are in CAD.

Canadian Transactions
8

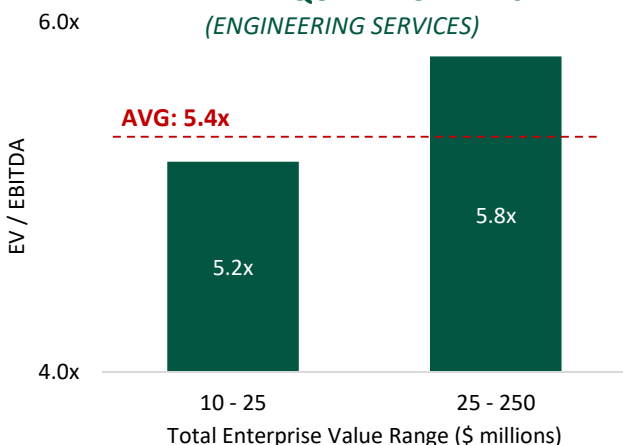
Canadian Transaction Value
\$30 million
(-72.3% vs. Q4 2019)

US Transaction Value
\$461 Million
(-61.5% vs. Q4 2019)

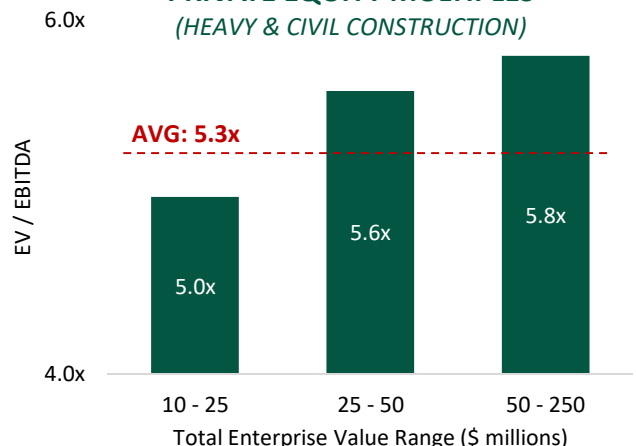
US Transactions
101

Engineering & Construction merger and acquisition (M&A) activity in the first quarter of 2020 exceeded \$490 million in disclosed transaction values across 109 deals in Canada and the US. The number of transactions in the quarter remained strong, however, smaller-sized deals contributed to a 44% decline in total transaction value when compared to the first quarter of 2019. The affects of external shocks including pre-existing geopolitical tensions, trade negotiations and the onset of the coronavirus (COVID-19) pandemic contributed to faltering deal values. The impact on different engineering and construction sub-sectors is expected to vary. Project delays, and in some instances outright cancellations, are expected to cause downward pressure on overall industry revenue.

PRIVATE EQUITY MULTIPLES (ENGINEERING SERVICES)



PRIVATE EQUITY MULTIPLES (HEAVY & CIVIL CONSTRUCTION)



Sources: GF Data - Data as of February 29, 2020. Multiples based off 25 disclosed Engineering and 31 Construction transactions.

SELECT QUARTERLY M&A TRANSACTIONS



acquired



Closed	Mar. 9, 2020
Transaction Value	Not disclosed
TEV/EBITDA	Not disclosed
Location (Vendor)	Ottawa, ON

- J.L. Richards & Associates provides architectural and engineering services. Its projects primarily encompass mining, healthcare, education, power generation and food and beverages sectors. The partnership will allow JLR to further diversify its mechanical and electrical services in the industrial market.
- LCI Engineering provides various engineering services including mechanical, electrical, automation and controls and software engineering. The company was established in 1994 and will continue to operate under its existing brand.



acquired



Closed	Feb. 3, 2020
Transaction Value	\$30.0M
TEV/EBITDA	3.75x
Location (Vendor)	Winnipeg, MB

- Aecon Group provides integrated construction solutions, project management and development services to private and public-sector clients. The transaction will be fully financed using Aecon's available cash.
- Voltage Power is a private, employee-owned company that will bring key medium to high-voltage power transmission and distribution capabilities to Aecon. Voltage Power has completed over 20 projects in the past four years with an aggregate value of \$200 million spanning across the Prairies, Ontario and Newfoundland.



negotiating offer for
the Geomatics Business
Unit of



Announced	Jan. 21, 2020
Transaction Value	Not disclosed
TEV/EBITDA	Not disclosed
Location (Vendor)	Toronto, ON

- WSP has signed a letter of intent to acquire the geomatics business unit of Altus Group. Pursuant to the transaction, a new company will be created consisting of the geomatics business units of both the companies. It is anticipated that the transaction will close in Q2 and will result in the amalgamation of around 750 employees.
- WSP Global plans, designs and manages projects for a variety of engineering projects on an international scale.
- Altus Group provides software and data solutions to the global commercial real estate industry.



acquired



Closed	Jan. 6, 2020
Transaction Value	Not disclosed
TEV/EBITDA	Not disclosed
Location (Vendor)	Kitimat, BC

- CIMS Limited specializes in providing industrial construction and maintenance services for plant shutdowns and complex industrial projects in Western Canada. The acquisition of 101 Industries has expanded the company's reach in British Columbia's northwestern market.
- CIMS has grown through acquisitions, acquiring four companies in the last eight years.
- 101 Industries provides mechanical, architectural and fabrication work to industrial and commercial customers. The company was founded in 1968 and has facilities in Kitimat and Terrace.

Source: Capital IQ and Pitchbook
TEV refers to total enterprise value.
Unless otherwise denoted, all figures are in CAD.

INDUSTRY OVERVIEW

ENGINEERING SERVICES IN CANADA

The Engineering Services industry applies the physical laws and principles of engineering in the design, development and use of machines, materials, instruments, structures, processes and systems.

INDUSTRY GLANCE

2019 Revenue

\$31.0B

Annual Growth 2014 – 2019

-2.5%

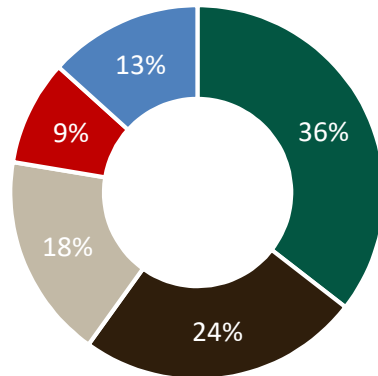
Projected Annual Growth 2019 – 2024

4.3%

Number of Businesses in 2019

29,155

PRODUCTS AND SERVICES SEGMENTATION (2019)



- Advisory Services
- Energy and Mining
- Residential and Commercial
- Power Generation
- Transportation

HEAVY ENGINEERING CONSTRUCTION IN CANADA

The Heavy Engineering Construction performs new construction, reconstruction, rehabilitation and repairs.

INDUSTRY GLANCE

2019 Revenue

\$33.1B

Annual Growth 2014 – 2019

-4.0%

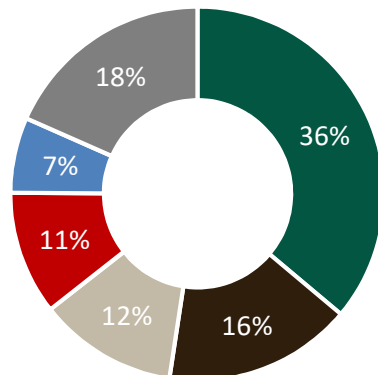
Projected Annual Growth 2019 – 2024

2.6%

Number of Businesses in 2019

2,804

PRODUCTS AND SERVICES SEGMENTATION (2019)

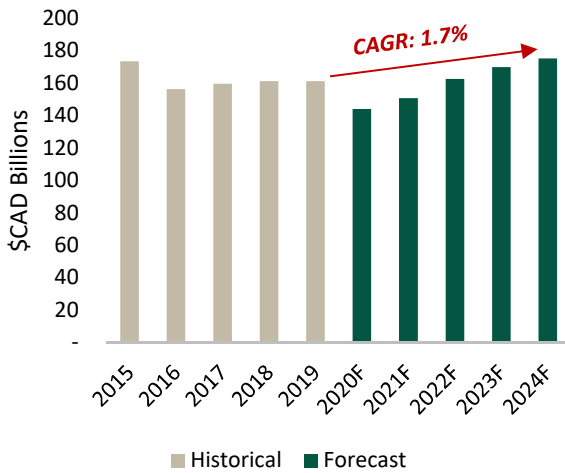


- Electric Power
- Land Transportation
- Repair and Maintenance
- Mining Engineering
- Marine and Waterworks
- Other

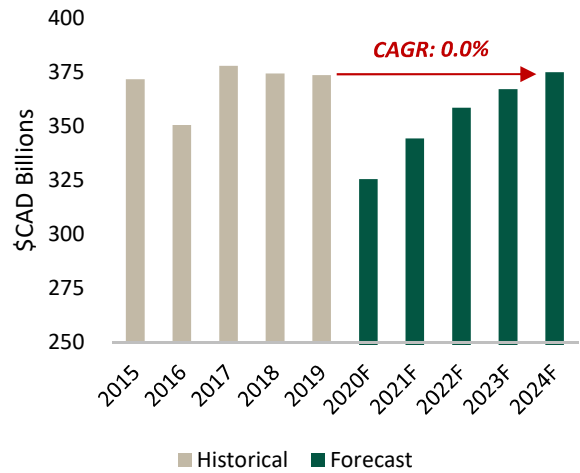
MACROECONOMIC INDICATORS

Key external drivers that affect the Engineering & Construction industry in Canada include the value of non-residential construction (expenditure on office buildings, hospitals, factories, power plants, mining shafts, communication lines, farms, railroads and schools), aggregate private investment (investment in gross fixed capital formation and inventories), government expenditure and investment (the total value of services produced by federal, provincial and local governments as well as investment in fixed assets) and the interbank overnight lending rate in Canada.

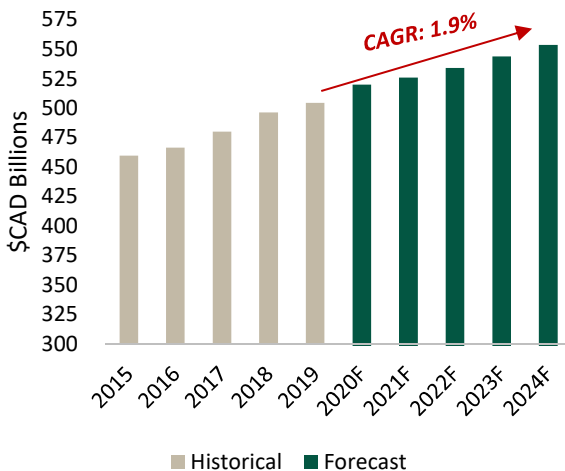
VALUE OF NON-RESIDENTIAL CONSTRUCTION - CANADA



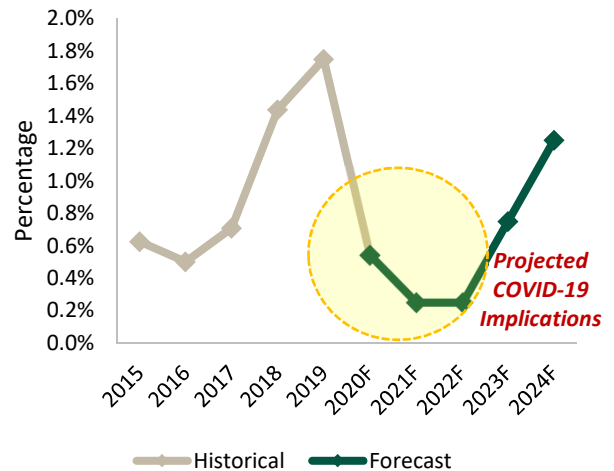
AGGREGATE PRIVATE INVESTMENT - CANADA



GOVERNMENT EXPENDITURE AND INVESTMENT - CANADA



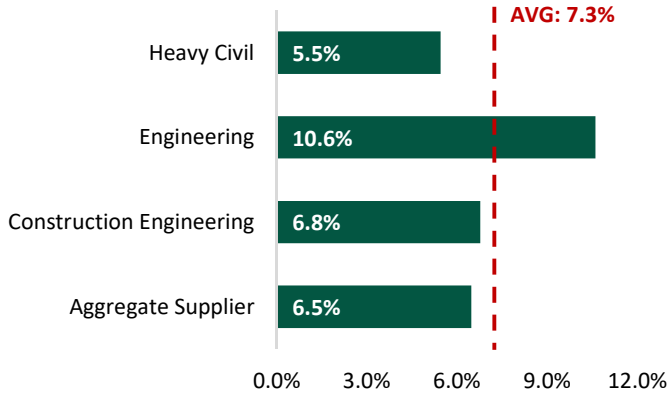
INTERBANK OVERNIGHT LENDING RATE



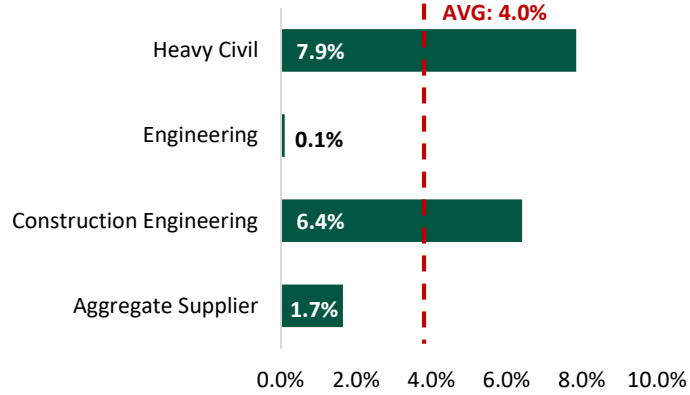
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

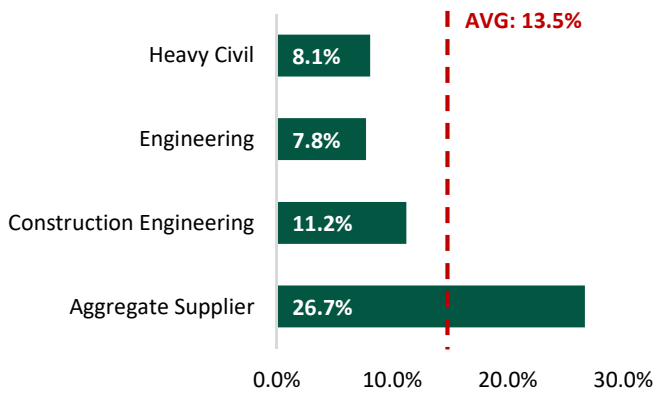
LTM REVENUE GROWTH



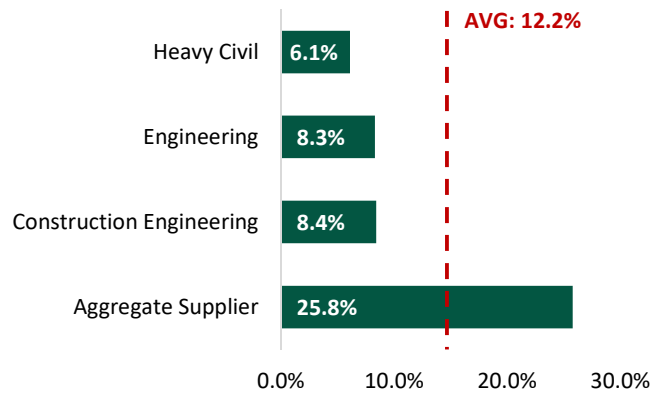
NTM REVENUE GROWTH



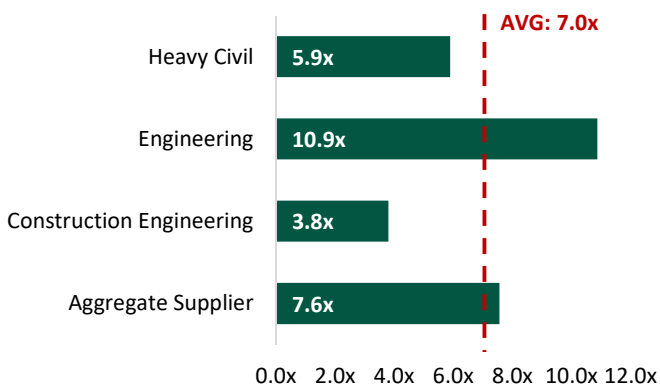
LTM EBITDA MARGIN



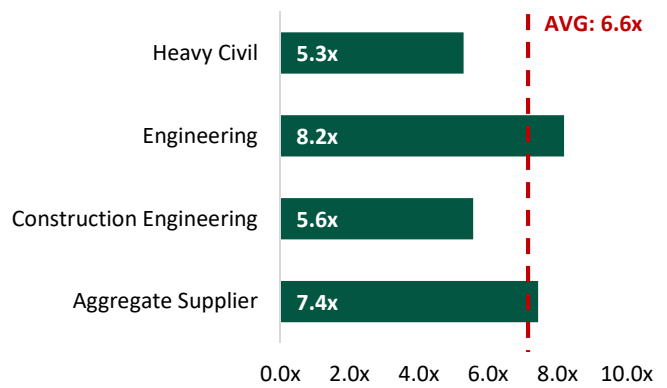
NTM EBITDA MARGIN



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of March 31, 2020.

Above noted healthcare peer groups are market capitalization weighted indexes, including the constituents listed on page 8.

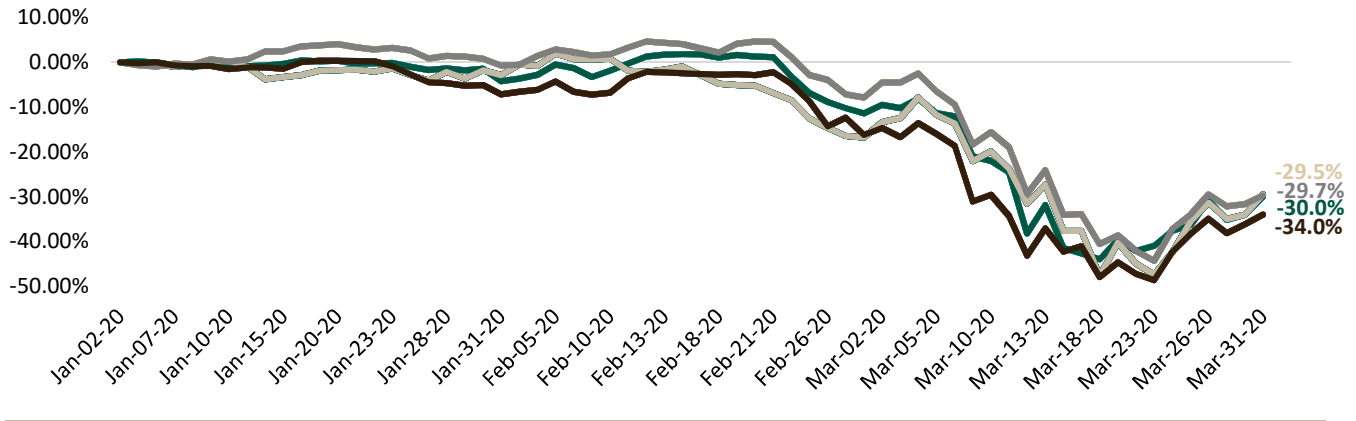
LTM refers to last twelve months. NTM refers to next twelve months. Figures above are based on median peer group metrics.

PUBLIC COMPARABLE ANALYSIS

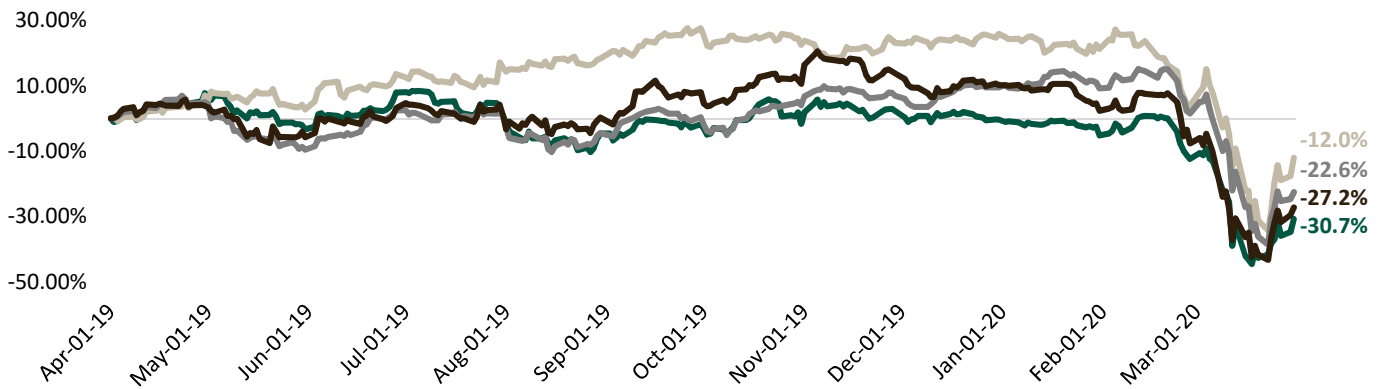
PERFORMANCE ANALYSIS

ENGINEERING & CONSTRUCTION PEER GROUP

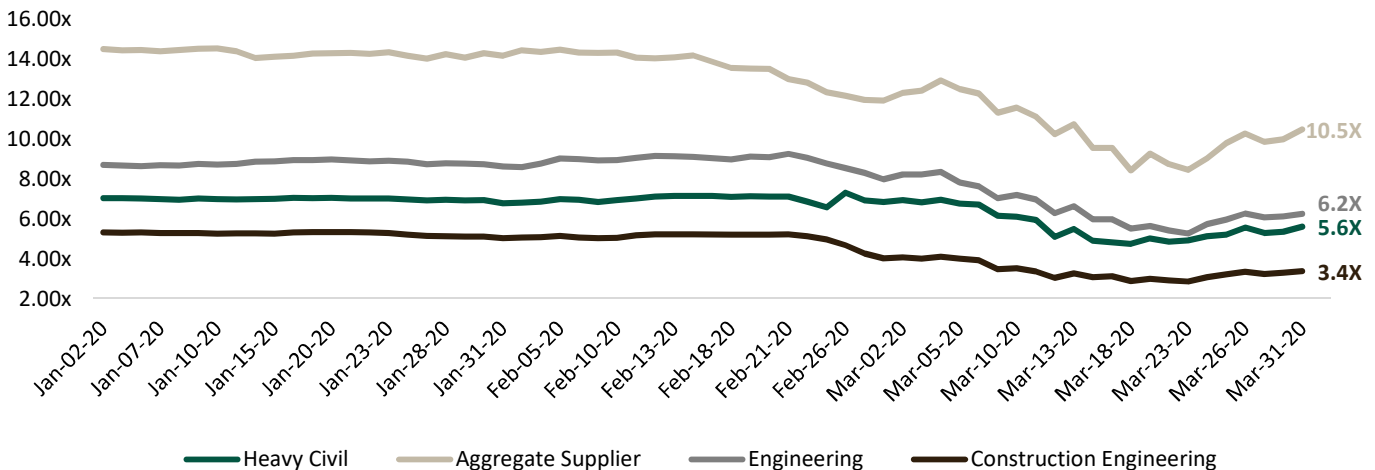
SHARE PRICE PERFORMANCE – Q1



SHARE PRICE PERFORMANCE – LTM*



HISTORICAL LTM EV/EBITDA MULTIPLES – Q1



Source: Capital IQ. Data as of March 31, 2020.

Above noted healthcare peer groups are market capitalization weighted indexes, including the constituents listed on page 8.

LTM refers to last twelve months.

PUBLIC COMPARABLE ANALYSIS

TRADING MULTIPLES & OPERATING STATISTICS

We have selected a group of publicly traded engineering and construction entities for this high-level analysis. These public companies help act as a proxy for the industry and provide strong industry context.

(Figures in CAD millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Heavy Civil											
EMCOR Group, Inc.	\$4,890	\$5,191	\$13,204	11.0%	\$1,112	8.4%	(15.3%)	4.4%	6.9x	4.7x	0.4x
Construction Partners, Inc.	\$1,240	\$1,264	\$1,043	17.6%	\$117	11.2%	13.5%	11.7%	8.9x	9.9x	1.1x
Primoris Services Corporation	\$1,088	\$1,773	\$4,029	5.7%	\$394	9.8%	10.1%	6.2%	5.9x	4.1x	0.4x
Granite Construction Incorporated	\$979	\$1,108	\$4,488	5.0%	\$47	1.0%	7.8%	6.1%	3.7x	22.1x	0.2x
Aegion Corporation	\$783	\$1,202	\$1,736	(4.8%)	\$209	12.0%	(10.9%)	7.6%	8.0x	5.9x	0.7x
Aecon Group Inc.	\$758	\$812	\$3,558	5.5%	\$204	5.7%	(5.3%)	5.3%	3.6x	4.1x	0.2x
Tutor Perini Corporation	\$479	\$1,374	\$5,773	(0.1%)	\$168	2.9%	17.7%	6.8%	2.9x	7.5x	0.2x
Sterling Construction Company, Inc.	\$375	\$946	\$1,461	8.5%	\$119	8.1%	25.1%	9.2%	5.3x	7.3x	0.6x
Bird Construction Inc.	\$194	\$171	\$1,376	(0.4%)	\$30	2.2%	0.1%	3.0%	3.9x	5.7x	0.1x
Median	\$783	\$1,202	\$3,558	5.5%	\$168	8.1%	7.8%	6.2%	5.3x	5.9x	0.4x
Mean	\$1,198	\$1,538	\$4,074	5.3%	\$267	6.8%	4.8%	6.7%	5.5x	7.9x	0.4x
Engineering											
Jacobs Engineering Group Inc.	\$14,950	\$17,045	\$17,027	9.6%	\$1,278	7.5%	10.7%	8.1%	10.5x	12.3x	0.9x
WSP Global Inc.	\$8,481	\$10,670	\$8,916	12.7%	\$981	11.0%	(19.5%)	14.3%	10.0x	10.9x	1.2x
AECOM	\$6,711	\$12,167	\$26,009	7.8%	\$1,340	5.2%	(30.7%)	5.4%	11.3x	8.3x	0.4x
KBR, Inc.	\$4,161	\$5,269	\$8,272	11.9%	\$804	9.7%	1.6%	8.1%	7.2x	6.8x	0.7x
Stantec Inc.	\$4,023	\$5,359	\$3,711	10.6%	\$557	15.0%	2.6%	15.0%	8.9x	9.6x	1.4x
SNC-Lavalin Group Inc.	\$3,645	\$5,058	\$9,516	(5.6%)	\$500	5.3%	(9.0%)	8.6%	6.6x	10.1x	0.5x
Fluor Corporation	\$1,373	\$1,703	\$24,518	13.7%	\$50	0.2%	(1.4%)	2.4%	0.0x	31.8x	0.1x
NV5 Global, Inc.	\$755	\$1,285	\$666	21.7%	\$99	14.8%	43.0%	14.4%	9.1x	12.0x	1.8x
Mistras Group, Inc.	\$175	\$606	\$971	0.8%	\$99	10.2%	(5.5%)	8.5%	6.9x	5.6x	0.6x
Willdan Group, Inc.	\$350	\$562	\$580	62.8%	\$45	7.8%	(14.8%)	12.1%	8.2x	11.5x	0.9x
Stuart Olson Inc.	\$24	\$187	\$929	(3.9%)	\$15	1.6%	(4.1%)	3.1%	6.5x	12.5x	0.2x
Median	\$3,645	\$5,058	\$8,272	10.6%	\$500	7.8%	(4.1%)	8.5%	8.2x	10.9x	0.7x
Mean	\$4,059	\$5,446	\$9,192	12.9%	\$524	8.0%	(2.5%)	9.1%	7.8x	12.0x	0.8x
Construction Engineering											
Quanta Services, Inc.	\$6,411	\$8,530	\$15,710	8.4%	\$2,467	15.7%	8.8%	8.4%	5.6x	3.2x	0.5x
MasTec, Inc.	\$3,496	\$5,766	\$9,317	4.0%	\$1,820	19.5%	8.9%	10.4%	4.6x	2.9x	0.6x
Dycom Industries, Inc.	\$1,148	\$2,375	\$4,391	6.8%	\$493	11.2%	5.3%	9.0%	5.6x	4.5x	0.5x
Argan, Inc.	\$766	\$353	\$316	(50.4%)	(\$55)	(17.4%)	65.2%	5.2%	10.7x	NM	1.0x
MYR Group Inc.	\$618	\$871	\$3,007	28.3%	\$161	5.4%	(2.7%)	5.2%	5.3x	5.8x	0.3x
Median	\$1,148	\$2,375	\$4,391	6.8%	\$493	11.2%	8.8%	8.4%	5.6x	3.8x	0.5x
Mean	\$2,488	\$3,579	\$6,548	(0.6%)	\$977	6.9%	17.1%	7.6%	6.4x	4.1x	0.6x
Aggregate Supplier											
Vulcan Materials Company	\$20,305	\$24,459	\$6,393	12.5%	\$1,707	26.7%	2.8%	25.8%	12.7x	13.1x	3.5x
Martin Marietta Materials, Inc.	\$16,683	\$21,290	\$5,736	11.1%	\$1,799	31.4%	8.0%	26.2%	11.4x	10.8x	3.4x
Eagle Materials Inc.	\$3,448	\$4,677	\$1,842	1.9%	\$565	30.7%	4.0%	30.3%	7.2x	7.6x	2.3x
Summit Materials, Inc.	\$2,409	\$4,755	\$3,176	6.5%	\$638	20.1%	(12.0%)	20.8%	7.4x	6.9x	1.5x
U.S. Concrete, Inc.	\$429	\$1,485	\$1,918	(1.8%)	\$240	12.5%	(1.5%)	10.5%	5.6x	5.7x	0.7x
Median	\$3,448	\$4,755	\$3,176	6.5%	\$638	26.7%	2.8%	25.8%	7.4x	7.6x	2.3x
Mean	\$8,655	\$11,334	\$3,813	6.0%	\$990	24.3%	0.3%	22.7%	8.9x	8.8x	2.3x

Source: Capital IQ. Data as of March 31, 2020.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

ABOUT US

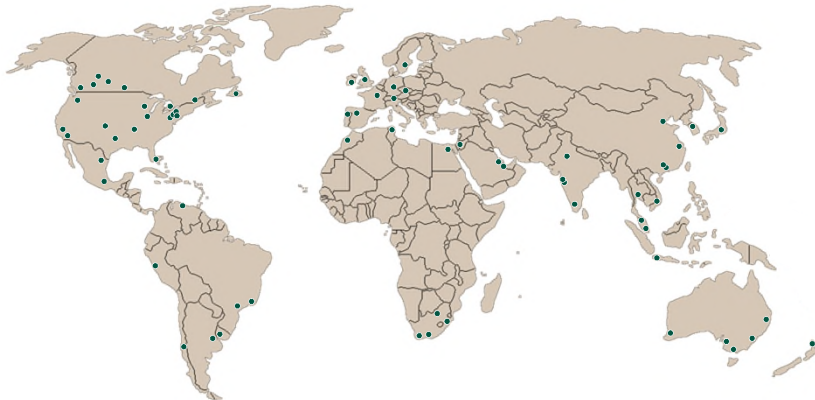


MNP Corporate Finance (MNPCF) has a dedicated team of over 60 merger, acquisition, and transaction professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

Our typical transactions range in value between \$3 million and \$300 million.

LOCAL AND INTERNATIONAL REACH

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 150+ M&A professionals in more than 25 countries.



CFxB CFxBorder - Global Reach with Local Relationships
Our affiliation with CFxB consists of 150+ M&A professionals in more than 25 countries

SERVICES

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

RECENTLY CLOSED DEALS (NATIONAL)

ROBERTSON IMPLEMENTS

has acquired four dealership locations from

Moody's Equipment LP

MNP Corporate Finance Inc. acted as exclusive financial advisor to Robertson Implements in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

FLSMIDTH

has acquired

MILL-ORE

MNP Corporate Finance Inc. acted as financial advisor to FLSMIDTH in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

SupremeX

has acquired

ROYAL
ENVIRONMENTAL LTD.

MNP Corporate Finance Inc. provided financial and tax due diligence services to SupremeX.

DIVESTITURES > FINANCING > DUE DILIGENCE

TRIPLE M METAL

has acquired

METROBEC

MNP Corporate Finance Inc. acted as exclusive financial advisor to MetroBec Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

CARBON60
THE MANAGED CLOUD COMPANY

has acquired

CIRRUS

MNP Corporate Finance Inc. provided financial and tax due diligence services to Carbon60.

DIVESTITURES > FINANCING > DUE DILIGENCE

DE LA FONTAINE
Imagerie, inc. realtor

has acquired

CHIEF EXPRESS LLC

MNP Corporate Finance Inc. acted as exclusive financial advisor to De La Fontaine Industries Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

GLBH

has acquired

ELRUS
AGGREGATE SYSTEMS

MNP Corporate Finance Inc. provided financial and tax due diligence services to GLBH.

DIVESTITURES > FINANCING > DUE DILIGENCE

EMERGE

has acquired

underpar.com
green shoes for life

MNP Corporate Finance Inc. provided financial due diligence services to Emerge Commerce Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

Crédit Mutuel Equity

has provided equity capital to

HIGHLIGHT
HEALTHY GROWTH

MNP Corporate Finance Inc. provided financial and tax due diligence services to Credit Mutuel Equity.

DIVESTITURES > FINANCING > DUE DILIGENCE

E300S ENVIRONMENTAL 360 SOLUTIONS

has merged with

WASTE-CO
CORPORAL SYSTEMS

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions, Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

ABOUT US



DEAL EXPERIENCE

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past five years alone we have completed over 120 transactions worth over \$2 billion (not including due diligence engagements).

INDUSTRY EXPERIENCE

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

HANDS-ON APPROACH

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

INTEGRATED SERVICE OFFERING

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

RECENTLY CLOSED DEALS (NATIONAL)

trialcard
has acquired
Policy Reporter
MNP Corporate Finance Inc. was the exclusive financial advisor to trialcard in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

E360S ENVIRONMENTAL 360 SOLUTIONS
has acquired
SCALETTA GROUP
MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

E360S ENVIRONMENTAL 360 SOLUTIONS
has acquired the Calgary Alberta division assets of
URBAN IMPACT
recycling of work.
MNP Corporate Finance Inc. was the exclusive financial advisor to Urban Impact Recycling Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

EQUICAPITA
has acquired
Condo Broker
VISAGE
the focal experts
MNP Corporate Finance Inc. provided financial and tax due diligence services to Equicapita Investment Corp.

DIVESTITURES > FINANCING > DUE DILIGENCE

A Confidential Buyer
has acquired
NORWELD STEEL (1994) LTD.
MNP Corporate Finance Inc. acted as exclusive financial advisor to Norweld Steel (1994) Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Rubicon PHARMACIES
has acquired
Grand Medicine Pharmacy
MNP Corporate Finance Inc. acted as exclusive financial advisor to Grand Medicine Pharmacy in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

VALENS
has acquired
Pommies
Cider Co.
MNP Corporate Finance Inc. acted as exclusive financial advisor to Pommies Cider Co. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

CO-OP
has acquired the retail business of
COMMUNITY natural foods
reestablishing our community since 1927
MNP Corporate Finance Inc. provided transaction advisory and financial due diligence services to Calgary Co-op.

DIVESTITURES > FINANCING > DUE DILIGENCE

A Private Purchaser
has acquired
OVP
CHICKEN VILLAGE PHARMACY
MNP Corporate Finance Inc. acted as exclusive financial advisor to Chicken Village Pharmacy in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

APPLIED
has acquired
Policy Works
MNP Corporate Finance Inc. acted as exclusive financial advisor to Policy Works Inc. in structuring and negotiating this transaction.

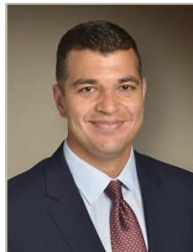
DIVESTITURES > FINANCING > DUE DILIGENCE

LEADERSHIP TEAM

TRANSACTION LEADERSHIP



Brett Franklin
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Craig Maloney
Managing Director
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