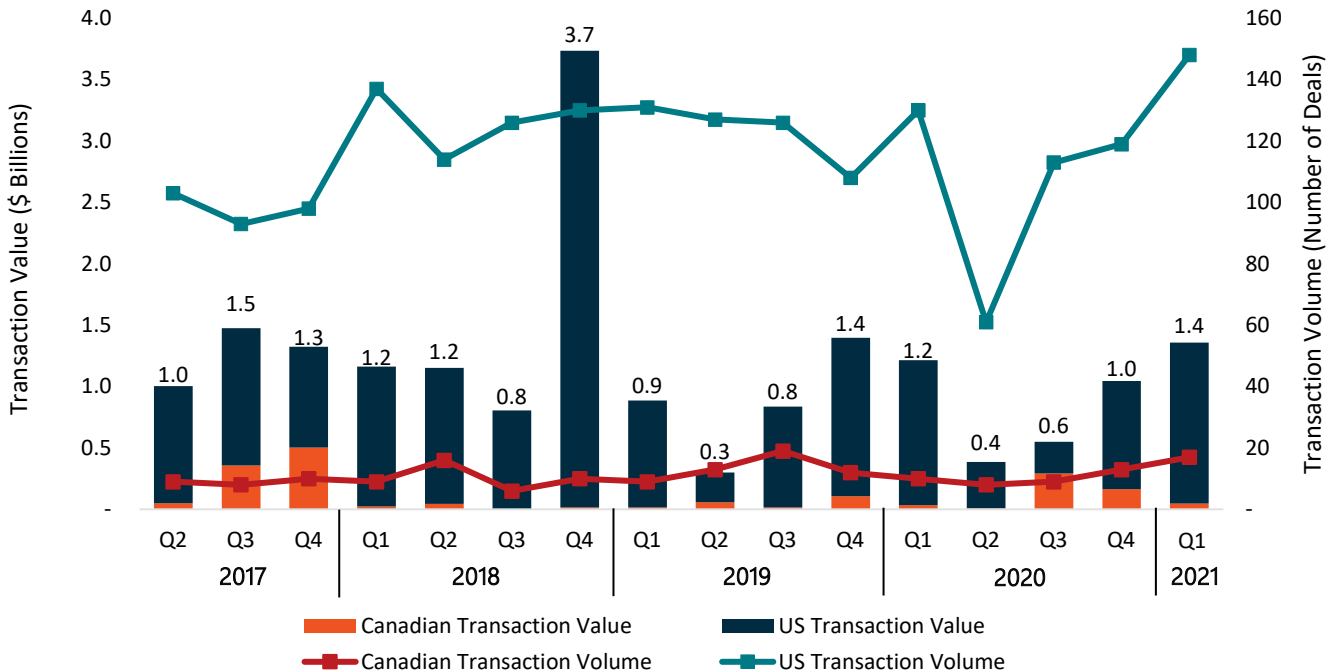


Engineering & Construction

Quarterly Update | Q1 2021



NORTH AMERICAN ENGINEERING & CONSTRUCTION M&A ACTIVITY



Source: Capital IQ. Data as of March 31, 2021.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million. All figures are in CAD. Transaction value is only inclusive of total transaction values which have been disclosed within Capital IQ.

Q1 Transactions (Canada)
17
(+30.8% vs. Q4 2020)

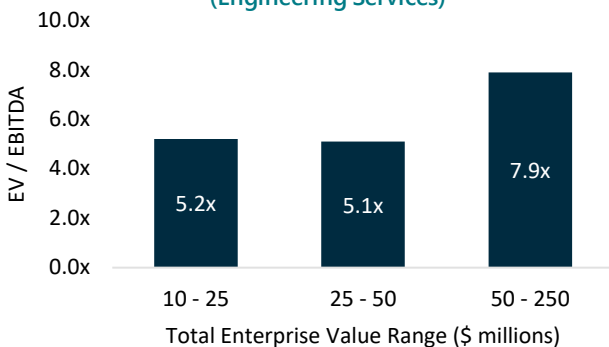
Q1 Transaction Value (Canada)
\$47 million
(-71.7% vs. Q4 2020)

Q1 Transaction Value (US)
\$1.3 billion
(+49.1% vs. Q4 2020)

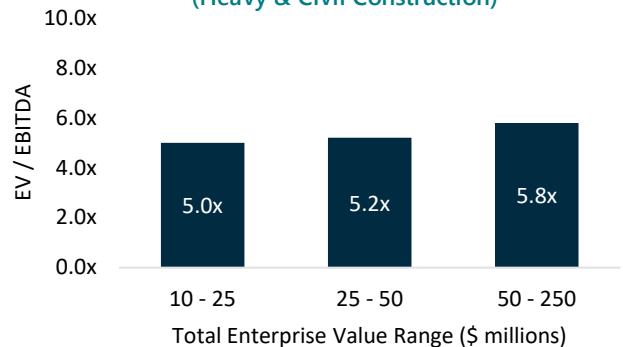
Q1 Transactions (US)
148
(+24.4% vs. Q4 2020)

Engineering and construction merger and acquisition (M&A) activity in Q1 2021 exceeded \$1.3 billion in disclosed transaction value across 165 deals in Canada and the US. US transactions accounted for 148 of these deals, representing the largest quarterly volume in the past four years. The largest transaction in the quarter was US based, and involved Leidos Holdings Inc.'s acquisition of Gibbs & Cox Inc. for \$478 million. In the last 12 months, 95% of acquirers have been strategic parties while 5% have been financial buyers. Strategic acquisitions continue to drive industry activity, as participants target expansion into new markets and mitigating skilled labour shortages.

Private Equity Deal Multiples (Engineering Services)



Private Equity Deal Multiples (Heavy & Civil Construction)



Select Recent M&A Transactions

ARCOSA

Acquired



Closed	Mar. 22, 2021
EV	\$470.0 million
EV/EBITDA	N/A
Location (Vendor)	Philadelphia, PA

- **Arcosa, Inc.** provides infrastructure-related products and solutions for the construction, energy, and transportation markets in North America.
- **StonePoint Materials** manufactures construction materials products that are used in three different end markets — public infrastructure and private residential and commercial construction.
- The acquisition will allow **Arcosa** to expand their aggregates business in existing markets and enter new geographies.



Acquired
operating assets of



Closed	Feb. 18, 2021
EV	\$79.2 million
EV/Revenue	4.2x
Location (Vendor)	Greenville, SC

- **Solar Integrated Roofing Corp.** operates as an integrated solar and roofing installation company specializing in commercial and residential properties.
- **Cornerstone Construction, LLC** offers residential and commercial roofing construction services.
- The acquisition furthers the roll-up strategy of **Solar Integrated**, who expects to capture synergies in the cross selling of roofing and solar products .



Acquired



Closed	Jan. 20, 2021
EV	\$53.8 million
EV/Revenue	0.9x
Location (Vendor)	Dallas, TX

- **TopBuild Corp.** installs and distributes insulation and other building products to the US construction industry.
- **LCR Contractors Inc.** provides spray fireproofing and spray thermal insulation services in the US. It also offers spray foam insulation services.
- The acquisition enhances **TopBuild's** residential and heavy commercial presence and product offerings in the high growth states of Texas and Tennessee.



Acquired



Closed	Jan. 14, 2021
EV	N/A
EV/EBITDA	N/A
Location (Vendor)	Phoenix, AZ

- **Huron Capital Partners** is a private equity firm specializing in recapitalizations of private companies, industry consolidation, growth capital and family succession transactions in lower middle market companies.
- **Sunland Asphalt & Construction** offers commercial asphalt paving, maintenance, and specialty services for roads, parking lots, and sports field artificial surfaces.
- **Huron Capital** plans to merge **Sunland Asphalt** with another portfolio company to create greater market stability and expand its geographic presence.

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

2020 Revenue

\$26.6B

Annual Growth 2015 – 2020

-4.5%

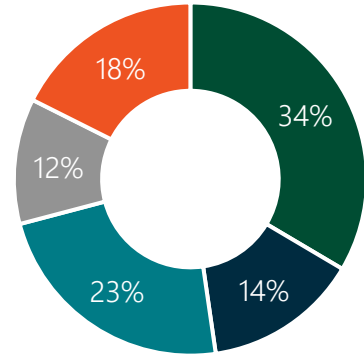
Projected Annual Growth 2020 – 2025

2.2%

Number of Businesses in 2020

27,368

Products and Services Segmentation (2020)



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

Heavy Engineering Construction in Canada

Heavy engineering construction performs new construction, reconstruction, rehabilitation, and repairs.

Industry Glance

2020 Revenue

\$41.1B

Annual Growth 2015 – 2020

3.3%

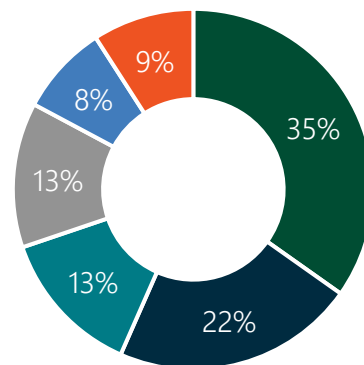
Projected Annual Growth 2020 – 2025

2.3%

Number of Businesses in 2020

2,771

Products and Services Segmentation (2020)

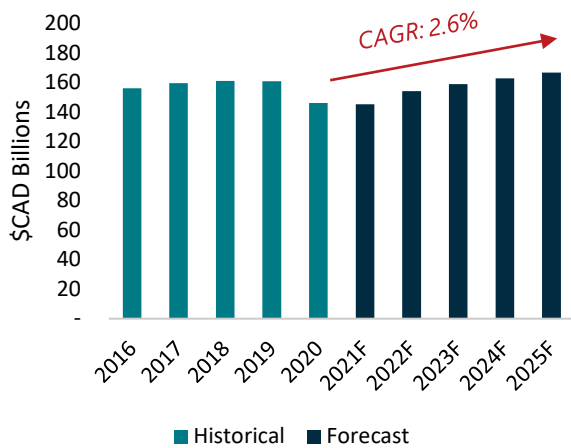


- Electric Power
- Land Transportation
- Repair and Maintenance
- Mining Engineering
- Marine and Waterworks
- Other

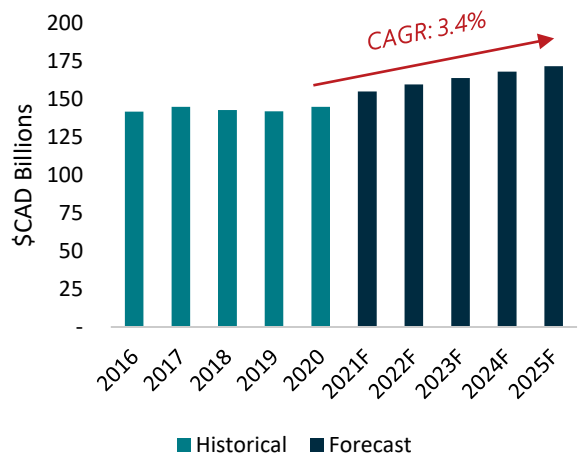
Macroeconomic Indicators

Key external drivers that affect the engineering and construction industry in Canada include the value of non-residential construction (expenditures 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. Aggregate private investment is expected to make up for lost ground, as programs such as the Investing in Canada Plan spurs increased infrastructure spending. This new investment should create an uptick in demand for industry operator services.

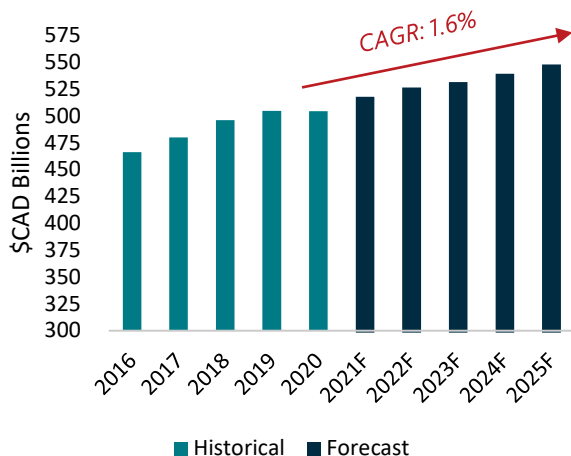
Value of Non-Residential Construction - Canada



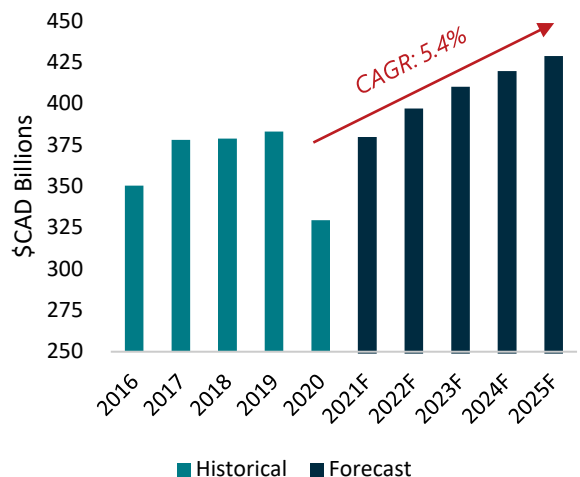
Value of Residential Construction - Canada



Government Expenditure and Investment - Canada



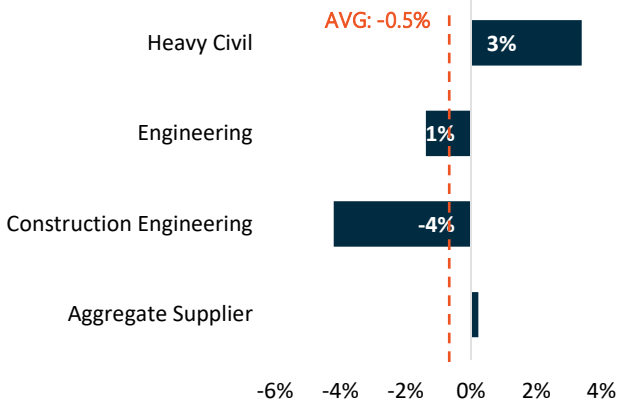
Aggregate Private Investment - Canada



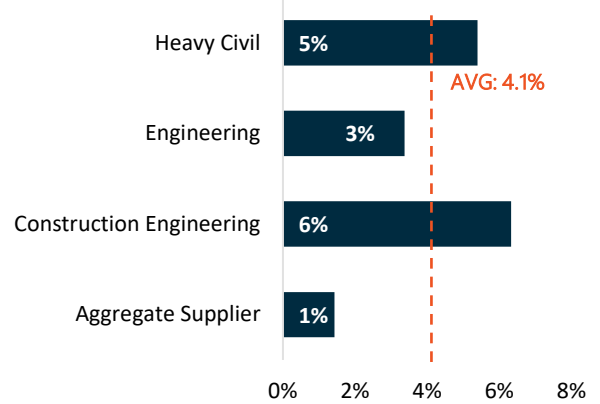
Public Comparable Analysis

Growth, Margins & Multiples

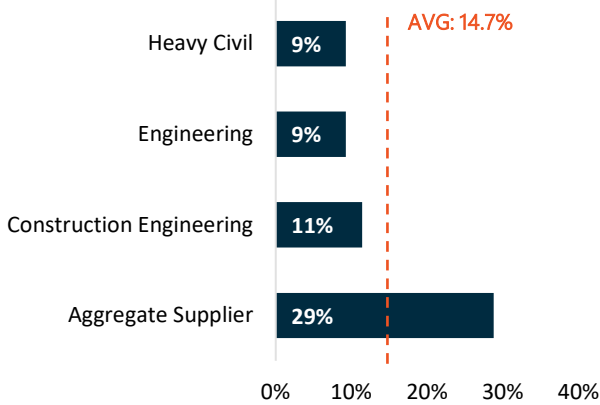
LTM REVENUE GROWTH



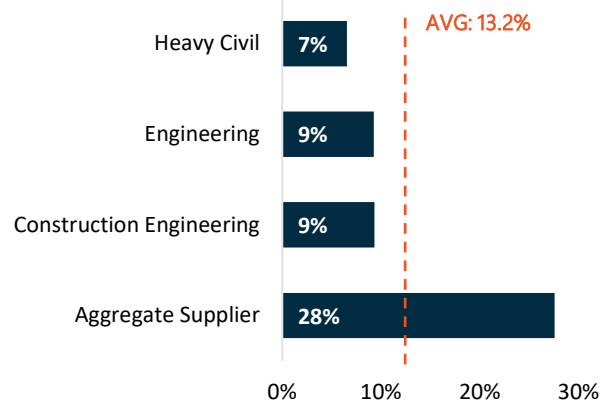
NTM REVENUE GROWTH



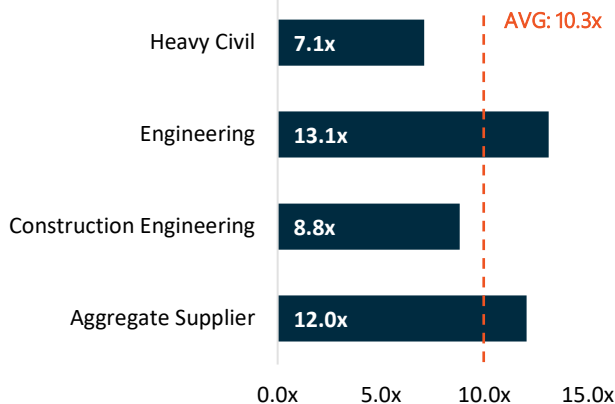
LTM EBITDA MARGIN



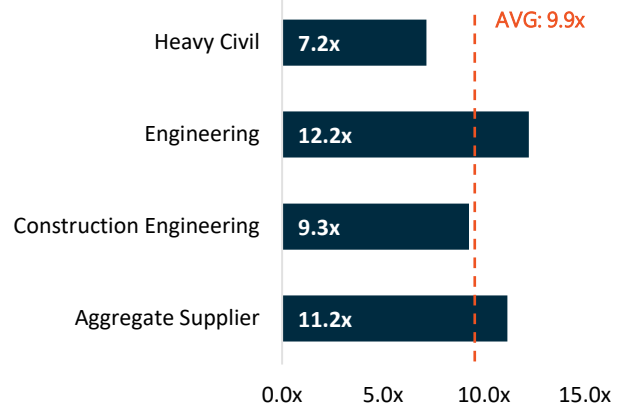
NTM EBITDA MARGIN



LTM EV/EBITDA



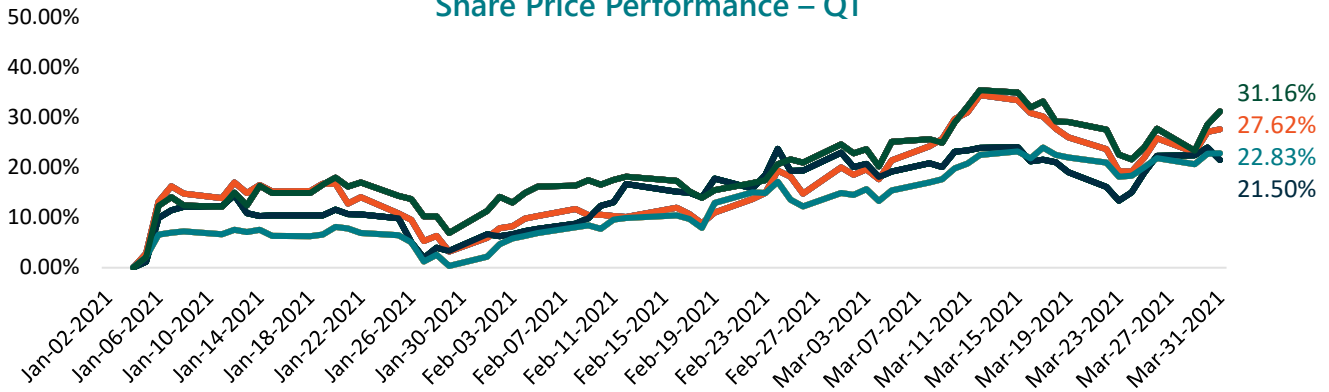
NTM EV/EBITDA



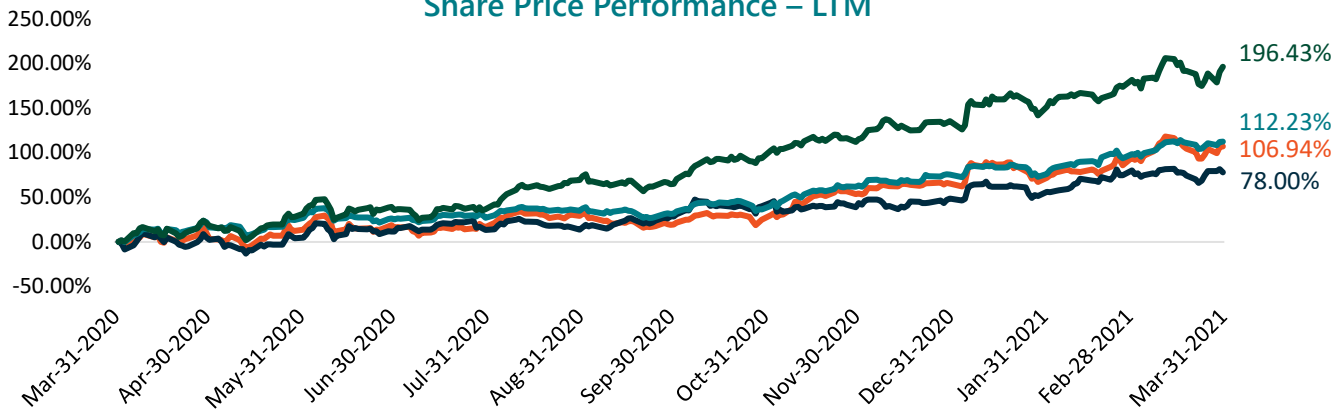
Source: Capital IQ. Data as of March 31, 2021.
Valuation details provided on page 8.
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Engineering and Construction Peer Group

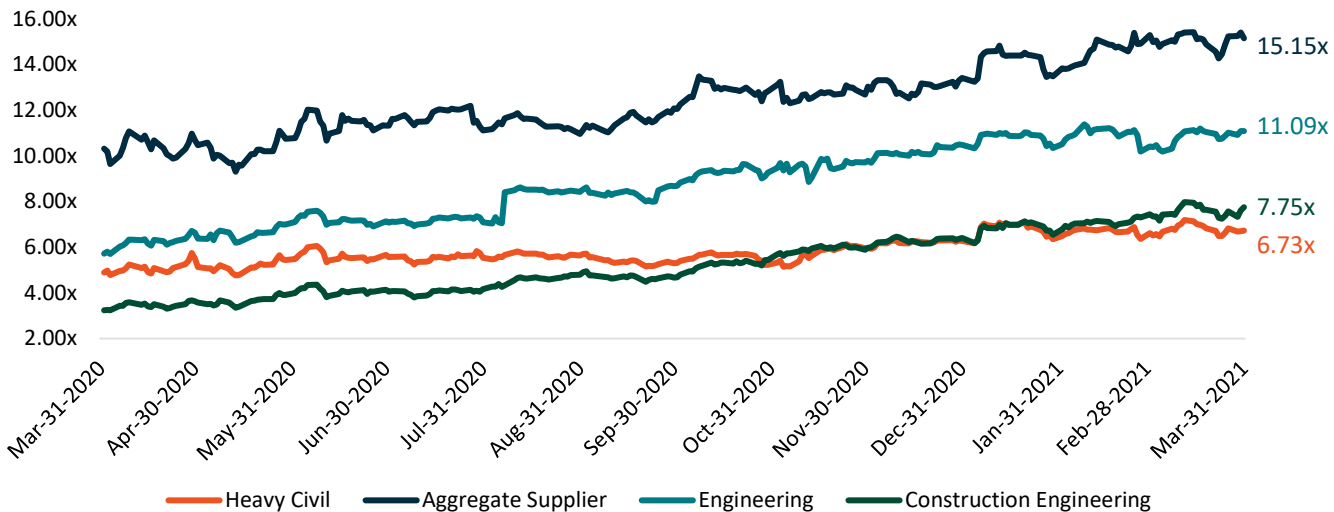
Share Price Performance – Q1



Share Price Performance – LTM



Historical LTM EV/EBITDA – LTM



Source: Capital IQ. Data as of March 31, 2021.
 Further details provided 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	EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Heavy Civil											
EMCOR Group, Inc.	\$7,731	\$7,270	\$11,209	(4.1%)	\$1,039	9.3%	3.4%	6.5%	9.5x	7.1x	0.7x
Construction Partners, Inc.	\$1,947	\$2,004	\$1,021	(0.4%)	\$148	14.5%	21.3%	11.9%	13.5x	13.7x	2.0x
Primoris Services Corporation	\$2,239	\$2,503	\$4,449	12.4%	\$434	9.8%	5.4%	7.7%	6.8x	5.8x	0.6x
Granite Construction Incorporated	\$2,318	\$2,064	\$4,539	3.4%	\$217	4.8%	2.4%	5.9%	7.5x	9.6x	0.5x
Aecon Group Inc.	\$1,171	\$1,241	\$3,650	2.6%	\$158	4.3%	8.1%	6.3%	5.1x	7.8x	0.3x
Tutor Perini Corporation	\$1,214	\$2,093	\$6,777	19.5%	\$603	8.9%	(4.4%)	6.6%	4.9x	3.5x	0.3x
Aegion Corporation	\$1,112	\$1,358	\$1,029	(8.8%)	\$166	16.1%	16.5%	10.0%	11.2x	8.3x	1.3x
Sterling Construction Company, Inc.	\$835	\$1,247	\$1,819	26.7%	\$193	10.6%	1.8%	9.3%	7.2x	6.5x	0.7x
Bird Construction Inc.	\$475	\$412	\$1,504	9.3%	\$81	5.4%	49.4%	3.9%	4.4x	5.1x	0.3x
Median	\$1,214	\$2,004	\$3,650	3.4%	\$193	9.3%	5.4%	6.6%	7.2x	7.1x	0.6x
Mean	\$2,116	\$2,244	\$4,000	6.7%	\$338	9.3%	11.5%	7.6%	7.8x	7.5x	0.7x
Engineering											
Jacobs Engineering Group Inc.	\$21,153	\$22,912	\$17,297	4.4%	\$1,678	9.7%	4.1%	8.3%	15.6x	13.8x	1.3x
WSP Global Inc.	\$13,601	\$14,755	\$8,804	(1.3%)	\$1,017	11.6%	(11.3%)	16.1%	11.8x	14.5x	1.7x
AECOM	\$11,912	\$14,504	\$16,969	(1.5%)	\$1,337	7.9%	(2.2%)	6.2%	14.1x	11.0x	0.9x
Stantec Inc.	\$5,986	\$6,983	\$3,685	(0.7%)	\$564	15.3%	3.6%	15.0%	11.9x	12.4x	1.9x
KBR, Inc.	\$6,801	\$8,665	\$7,348	2.3%	\$719	9.8%	1.3%	9.2%	12.6x	12.2x	1.2x
SNC-Lavalin Group Inc.	\$4,722	\$6,179	\$7,008	(8.2%)	\$155	2.2%	4.3%	9.6%	8.8x	39.7x	0.9x
Fluor Corporation	\$4,091	\$4,073	\$19,965	(9.5%)	\$544	2.7%	(15.5%)	2.3%	7.1x	7.6x	0.2x
NV5 Global, Inc.	\$1,811	\$2,173	\$839	29.5%	\$142	17.0%	3.1%	16.6%	15.0x	15.5x	2.6x
Mistras Group, Inc.	\$420	\$744	\$755	(20.8%)	\$67	8.8%	10.5%	9.3%	9.7x	11.3x	1.0x
Willdan Group, Inc.	\$632	\$767	\$498	(11.8%)	\$17	3.3%	13.8%	9.0%	14.9x	46.9x	1.6x
Median	\$5,354	\$6,581	\$7,178	(1.4%)	\$554	9.3%	3.4%	9.3%	12.2x	13.1x	1.3x
Mean	\$7,113	\$8,175	\$8,317	(1.8%)	\$624	8.8%	1.2%	10.2%	12.1x	18.5x	1.3x
Construction Engineering											
Quanta Services, Inc.	\$15,312	\$16,914	\$14,274	(7.5%)	\$2,166	15.2%	6.3%	9.3%	11.9x	7.9x	1.2x
MasTec, Inc.	\$8,529	\$9,878	\$8,054	(12.0%)	\$1,511	18.8%	20.3%	11.1%	9.3x	6.6x	1.2x
Dycom Industries, Inc.	\$3,576	\$4,358	\$4,089	(4.2%)	\$467	11.4%	(0.5%)	9.9%	10.7x	9.5x	1.1x
Argan, Inc.	\$1,053	\$502	\$501	64.1%	\$46	9.1%	42.1%	9.0%	7.3x	27.3x	1.2x
MYR Group Inc.	\$1,513	\$1,550	\$2,864	8.5%	\$178	6.2%	1.8%	5.9%	9.1x	8.8x	0.5x
Median	\$3,576	\$4,358	\$4,089	(4.2%)	\$467	11.4%	6.3%	9.3%	9.3x	8.8x	1.2x
Mean	\$5,997	\$6,640	\$5,957	9.8%	\$874	12.1%	14.0%	9.0%	9.6x	12.0x	1.0x
Aggregate Supplier											
Vulcan Materials Company	\$28,135	\$31,322	\$6,189	(1.5%)	\$1,781	28.8%	1.4%	27.6%	18.0x	17.8x	5.1x
Martin Marietta Materials, Inc.	\$26,311	\$29,965	\$5,647	0.2%	\$1,868	33.1%	9.4%	28.3%	17.1x	16.3x	5.4x
Eagle Materials Inc.	\$7,101	\$8,243	\$2,079	17.9%	\$693	33.4%	1.9%	34.6%	11.2x	12.0x	4.0x
Summit Materials, Inc.	\$4,077	\$6,070	\$2,969	5.0%	\$636	21.4%	(2.6%)	21.9%	9.6x	9.7x	2.1x
U.S. Concrete, Inc.	\$1,566	\$2,564	\$1,740	(7.6%)	\$247	14.2%	1.1%	14.3%	10.1x	10.5x	1.5x
Median	\$7,101	\$8,243	\$2,969	0.2%	\$693	28.8%	1.4%	27.6%	11.2x	12.0x	4.0x
Mean	\$13,438	\$15,633	\$3,725	2.8%	\$1,045	26.2%	2.2%	25.3%	13.2x	13.3x	3.6x

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 85 merger, acquisition, and transaction professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

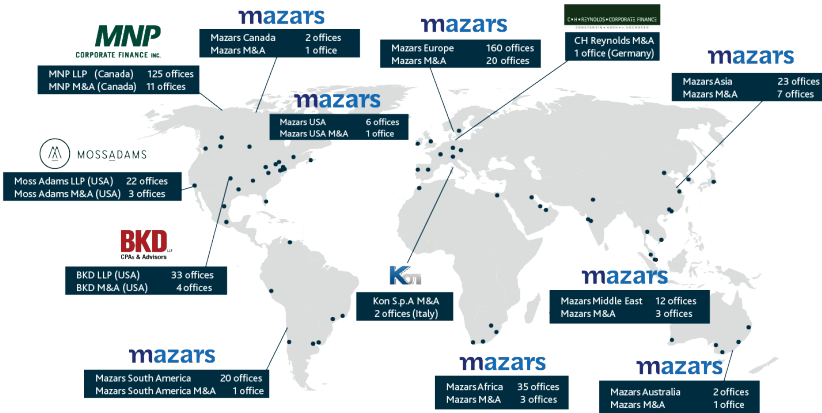
Our typical transactions range in value between \$3 million and \$300 million.

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 250+ M&A professionals in more than 30 countries.



CFxB CFXborder - Global reach with local relationships
Our corporate finance team through CFXb consists of 250 plus M&A professionals in more than 30 countries



Services

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

Recently Closed Deals (National)

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 125 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

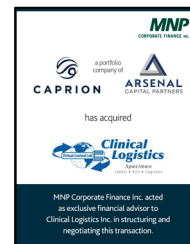
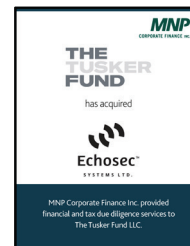
Hands-on Approach

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.

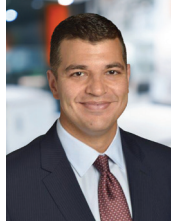
Recently Closed Deals (National)



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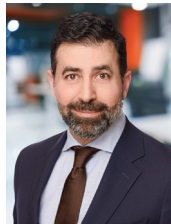
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