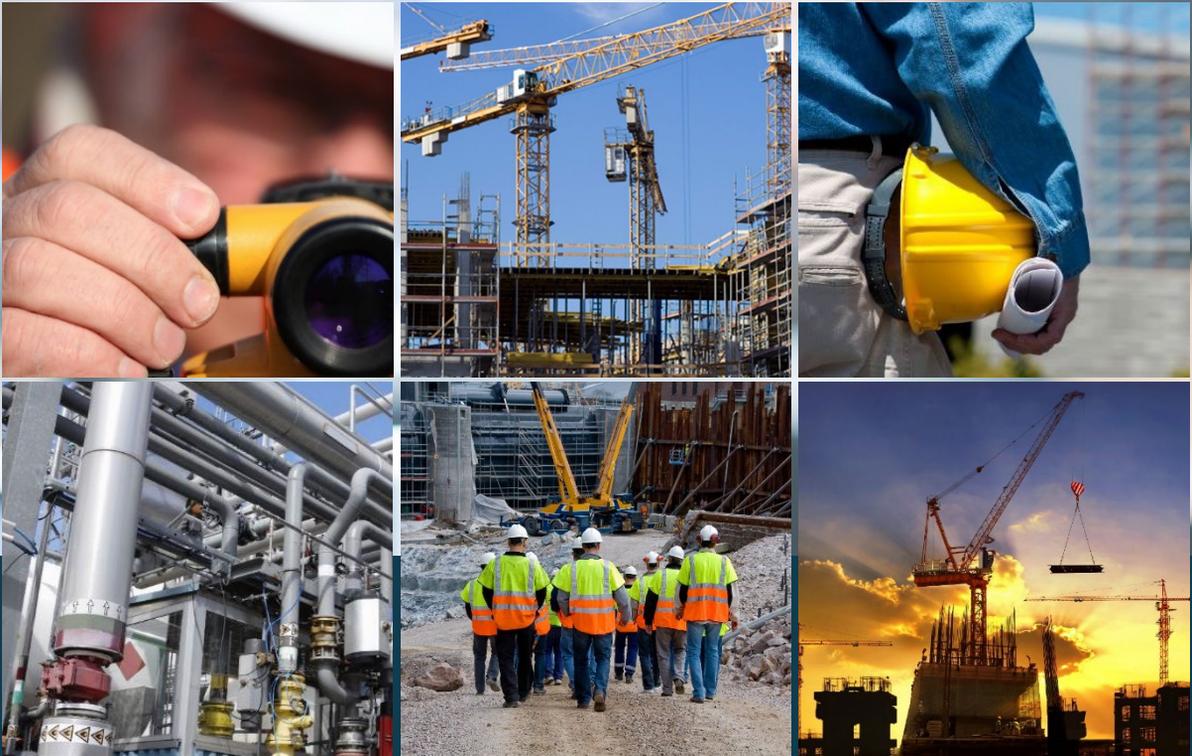
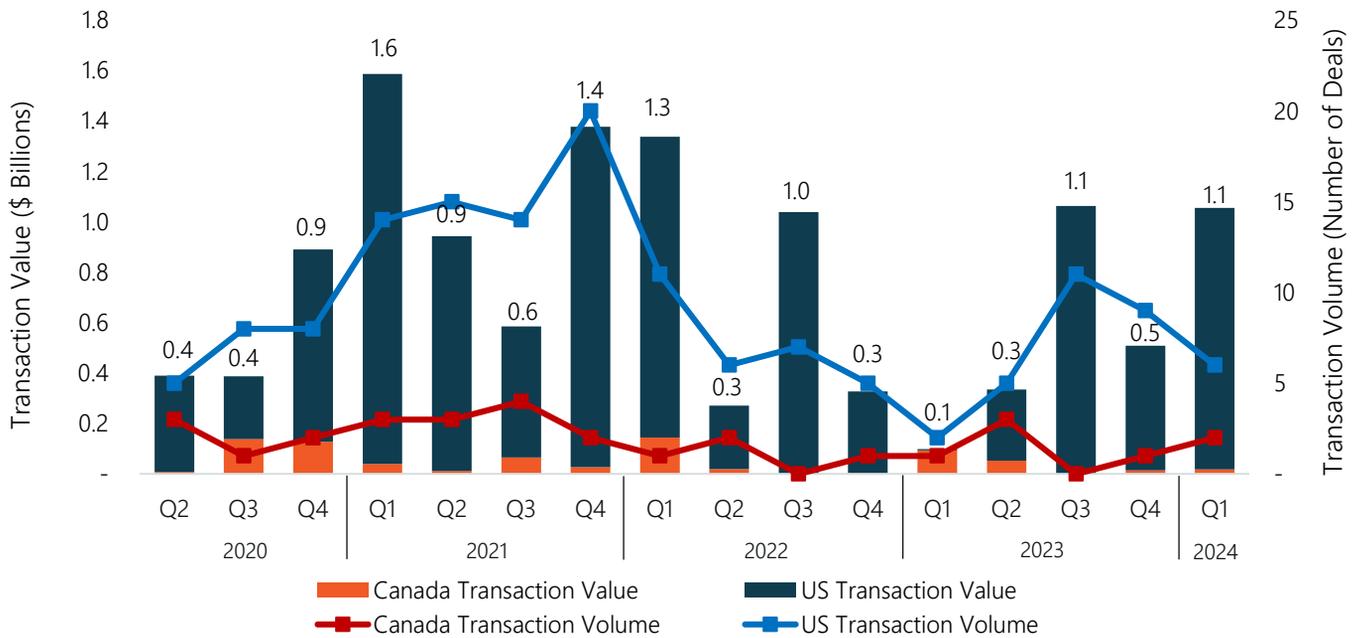


Engineering & Construction

Quarterly Update | Q1 2024



NORTH AMERICAN ENGINEERING & CONSTRUCTION M&A ACTIVITY



Source: S&P Capital IQ. Data as of March 31, 2024. All figures are in CAD.

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million in Canada and US.

Transaction value is only inclusive of total transaction values which have been disclosed within S&P Capital IQ.

Q1 Transactions (Canada)

2

(+1 vs. Q4 2023)

Q1 Transaction Value (Canada)

\$18.4 million

(+\$14.9 million vs. Q4 2023)

Q1 Transactions (US)

6

(-3 vs. Q4 2023)

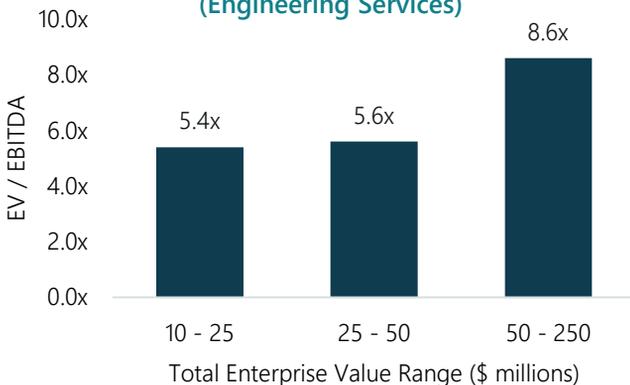
Q1 Transaction Value (US)

\$1 billion

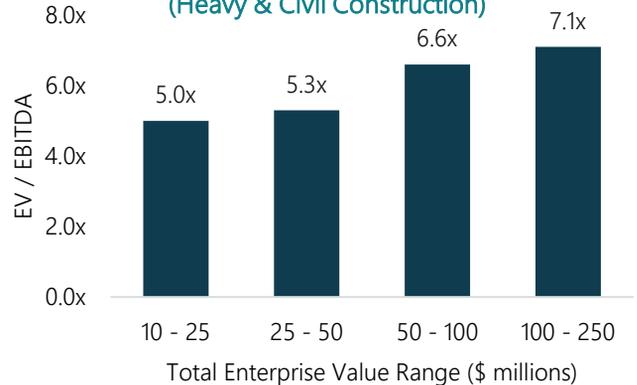
(+\$542 million vs. Q4 2023)

M&A transaction values have increased in the U.S. and slightly in Canada since Q4 2023 despite high inflation rates, geopolitical uncertainties, tight monetary policies, and a slowdown in the volume of transactions in the real estate market¹. Q1 2024 saw eight reported mid-market transactions in the U.S. and Canada, with over \$1 billion in disclosed transaction value. The largest mid-market transaction involved Breedon Group Plc's acquisition of BMC Enterprises, Inc. for \$406 million. While transaction volume in Q1 2024 has rebounded from its record low in 2022 and 2023, it has not reached 2021 levels due to persistently high interest rates.

Private Equity Deal Multiples (Engineering Services)



Private Equity Deal Multiples (Heavy & Civil Construction)



Source: GF Data. Data as of March 2024

1. Trading Economics: Canada Housing Starts as of March 2024

Select Recent M&A Transactions



has acquired



Closed	Q1 2024
EV	Not Disclosed
EV/EBITDA	Not Disclosed

- Pyrogaz, Desrosiers, Climcô Service, and Réfrigération Centre-du-Québec (La Force Du Groupe) specialize in ventilation, air conditioning, and heating.
- Synairtech specializes in the sale and installation of ventilation, air conditioning and heating products.

The acquisition allows La Force Du Groupe to grow and consolidate in the heating & ventilation space.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Synairtech.



is acquiring



Announced	March 11, 2024
EV	\$242.7 million
EV/EBITDA	9.0x

- CEMC Services, LLC, a subsidiary of Arcosa, Inc is a provider of infrastructure-related products and solutions.
- Ameron Pole Products, LLC is a manufacturer of concrete and steel poles for a broad range of infrastructure applications, including lighting, traffic, electric distribution, and small-cell telecom.

The acquisition allows Arcosa, Inc. to expand into the complementary steel and concrete lighting pole market while expanding its product offerings in traffic and telecom.



has acquired



Closed	March 6, 2024
EV	\$406.0 million
EV/EBITDA	8.5x

- Breedon Group Plc (Breedon) is a vertically integrated construction materials group in Great Britain and Ireland.
- BMC Enterprises, Inc. is a supplier of ready-mixed concrete, aggregates and building products headquartered in St. Louis, Missouri.

This acquisition allows Breedon to expand its current presence in the US and is expected to enhance earnings for shareholders.



has acquired



Closed	Jan 18, 2024
EV	\$11.0 million
EV/EBITDA	Not Disclosed

- Bird Construction, Inc (Bird) is a publicly traded construction company that provides new construction services for industrial, infrastructure and building markets.
- NorCan Electric, Inc. is an electrical and instrumentation contractor providing maintenance turnaround and sustaining capital services.

This acquisition advances Bird's growth strategy with electrical contracting capabilities and provides Bird with geographic diversification.

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

2024 Revenue

\$47.6B

Annual Growth 2019 – 2024

4.3%

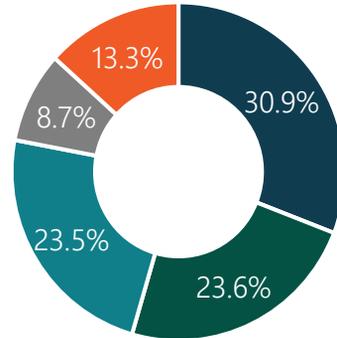
Projected Annual Growth 2024– 2029

3.3%

Number of Businesses in 2024

29,107

Products and Services Segmentation (2024)



- 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

2024 Revenue

\$66.0B

Annual Growth 2019 – 2024

1.2%

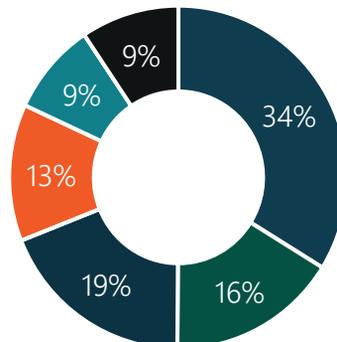
Projected Annual Growth 2024 – 2029

2.1%

Number of Businesses in 2024

2,786

Products and Services Segmentation (2024)



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

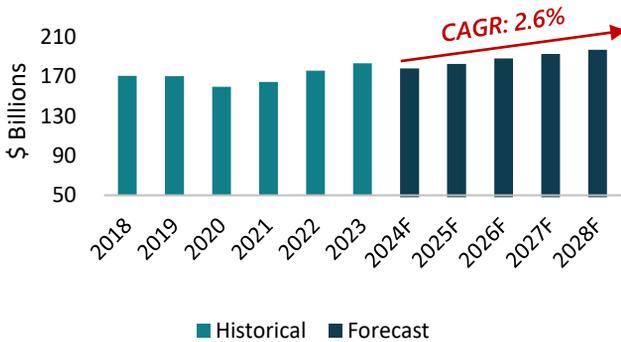
Canadian Macroeconomic Indicators

Canada's housing market and construction activity have declined due to unprecedented interest rate hikes by the Bank of Canada (BoC) in the past year. The BoC maintained its target overnight rate at 5% throughout Q1 2024. In addition, inflation increased to 2.9% in March 2024 compared to 2.8% in February 2024. While this suggests inflation may be cooling off, borrowing costs remain significantly higher compared to a year ago, which dampens economic and M&A activities.

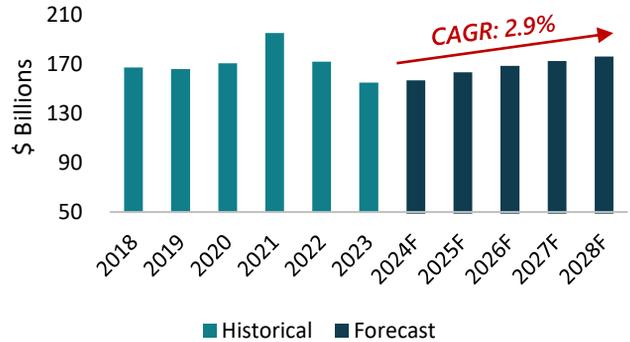
Canada's housing starts increased by 8.5% in March 2024 from January 2024 and have improved over the past year. However, it is expected that housing starts will remain subdued in 2024 and recover in the next two years. Construction companies' financial results continue to face the adverse effects of the high interest rate environment and elevated borrowing costs. As a result, construction sector M&A activity may remain subdued as companies continue to focus on operational efficiencies.

However, opportunities remain for Canada's engineering and construction industry in the mid to long term. Economists are predicting a reduction in interest rates in 2024, thus reducing financing costs for construction companies. In the long run, key external factors, such as the value of residential and non-residential construction, government consumption and investment, and aggregate private investments are all forecast to increase in the next five years, creating a more favourable environment for deal flow.

Value of Non-Residential Construction - Canada



Value of Residential Construction - Canada



Government Consumption and Investment - Canada



Aggregate Private Investment - Canada



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 a snapshot of industry performance and valuation.

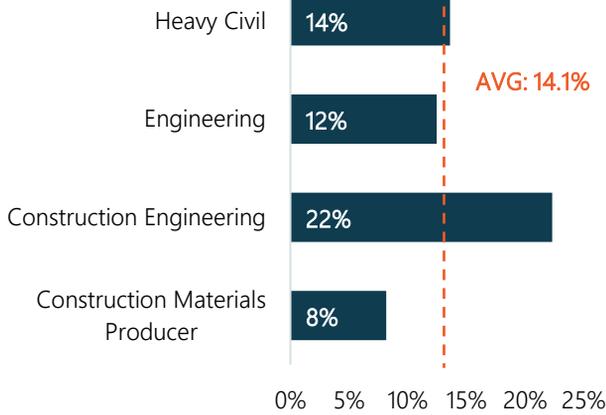
(Figures in CAD millions, except percentages and ratios)

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.	\$22,319	\$21,711	\$17,772	15.4%	\$1,945	10.9%	12.7%	8.0%	15.2x	12.2x	1.3x
Sterling Infrastructure, Inc.	\$4,653	\$4,562	\$2,605	11.5%	\$400	15.3%	14.7%	13.3%	11.6x	11.1x	1.7x
Construction Partners, Inc.	\$4,017	\$4,548	\$2,137	19.1%	\$265	12.4%	18.2%	11.8%	15.4x	16.7x	2.1x
Granite Construction Incorporated	\$3,402	\$3,618	\$4,904	12.9%	\$277	5.6%	13.7%	10.5%	6.9x	13.7x	0.8x
Primoris Services Corporation	\$3,091	\$4,581	\$7,548	29.3%	\$631	8.4%	10.3%	6.5%	8.6x	7.1x	0.6x
Aecon Group Inc.	\$1,059	\$832	\$4,383	(9.0%)	\$87	2.0%	1.0%	5.6%	3.5x	8.5x	0.2x
Bird Construction Inc.	\$1,005	\$978	\$2,799	18.1%	\$125	4.4%	11.5%	5.6%	5.6x	7.9x	0.3x
Median	\$3,402	\$4,548	\$4,383	15.4%	\$277	8.4%	12.7%	8.0%	8.6x	11.1x	0.8x
Mean	\$5,649	\$5,833	\$6,021	13.9%	\$533	8.4%	11.7%	8.8%	9.5x	11.0x	1.0x
Engineering											
WSP Global Inc.	\$28,145	\$32,036	\$14,437	21.0%	\$1,853	12.8%	(19.5%)	18.2%	15.2x	17.3x	2.2x
Jacobs Solutions Inc.	\$26,157	\$30,401	\$22,072	8.9%	\$2,168	9.8%	6.8%	9.3%	14.0x	13.7x	1.3x
AECOM	\$18,066	\$20,563	\$19,672	12.3%	\$1,156	5.9%	11.4%	6.9%	13.7x	17.4x	1.0x
Stantec Inc.	\$12,828	\$14,207	\$5,066	13.7%	\$804	15.9%	14.0%	16.8%	14.7x	17.7x	2.8x
KBR, Inc.	\$11,644	\$14,059	\$9,575	7.9%	\$1,285	13.4%	10.6%	10.9%	12.5x	10.7x	1.5x
Fluor Corporation	\$9,756	\$8,162	\$20,929	7.5%	\$915	4.4%	16.7%	3.8%	9.5x	11.2x	0.4x
AtkinsRéalis	\$9,726	\$11,638	\$8,634	14.4%	\$762	8.8%	5.7%	10.0%	12.8x	15.3x	1.3x
NV5 Global, Inc.	\$2,112	\$2,396	\$1,138	9.5%	\$183	16.1%	12.0%	16.3%	11.7x	12.8x	2.1x
Willdan Group, Inc.	\$541	\$665	\$718	20.5%	\$66	9.2%	1.5%	9.5%	10.0x	10.2x	1.0x
Mistras Group, Inc.	\$397	\$706	\$978	4.1%	\$107	10.9%	4.1%	11.8%	6.2x	7.3x	0.7x
Median	\$10,700	\$12,849	\$9,105	10.9%	\$860	10.4%	8.7%	10.5%	12.6x	13.2x	1.3x
Mean	\$11,937	\$13,483	\$10,322	12.0%	\$930	10.7%	6.3%	11.3%	12.0x	13.3x	1.4x
Construction Engineering											
Quanta Services, Inc.	\$51,275	\$55,587	\$29,094	22.5%	\$4,060	14.0%	9.2%	9.8%	18.6x	13.8x	2.0x
MasTec, Inc.	\$9,821	\$13,858	\$16,382	16.2%	\$2,216	13.5%	6.6%	7.7%	10.7x	6.6x	0.9x
Dycom Industries, Inc.	\$5,654	\$6,688	\$5,619	9.6%	\$742	13.2%	9.9%	12.3%	8.9x	9.0x	1.2x
MYR Group Inc.	\$4,006	\$4,072	\$4,940	14.6%	\$267	5.4%	4.0%	5.8%	13.8x	15.1x	0.8x
Argan, Inc.	\$912	\$379	\$767	26.0%	\$65	8.4%	29.2%	9.4%	4.9x	5.7x	0.5x
Median	\$5,654	\$6,688	\$5,619	16.2%	\$742	13.2%	9.2%	9.4%	10.7x	9.0x	0.9x
Mean	\$14,334	\$16,117	\$11,360	17.8%	\$1,470	10.9%	11.8%	9.0%	11.4x	10.1x	1.1x
Construction Materials Producer											
Martin Marietta Materials, Inc.	\$51,396	\$56,346	\$9,038	6.2%	\$2,947	32.6%	11.2%	33.5%	18.2x	18.4x	6.1x
Vulcan Materials Company	\$48,867	\$53,686	\$10,398	3.4%	\$2,898	27.9%	4.6%	29.1%	17.7x	18.5x	5.1x
Eagle Materials Inc.	\$12,677	\$14,048	\$2,975	7.7%	\$1,100	37.0%	11.0%	37.0%	11.7x	12.5x	4.6x
Summit Materials, Inc.	\$10,518	\$13,203	\$4,048	23.2%	\$946	23.4%	47.8%	23.1%	9.8x	16.0x	3.7x
Median	\$30,772	\$33,867	\$6,543	7.0%	\$1,999	30.2%	11.1%	31.3%	14.7x	17.2x	4.8x
Mean	\$30,864	\$34,321	\$6,615	10.1%	\$1,973	30.2%	18.7%	30.7%	14.4x	16.3x	4.9x

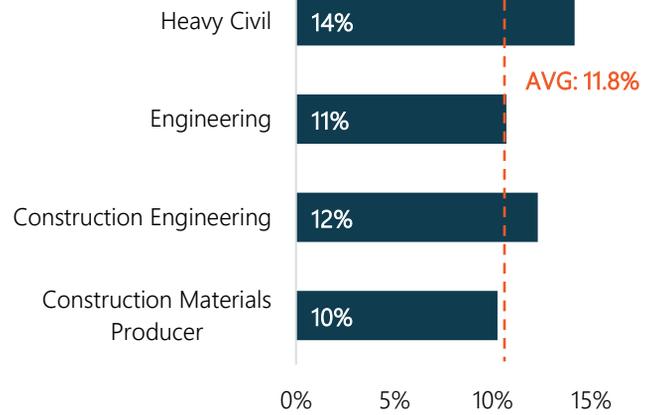
Public Comparable Analysis

Growth, Margins & Multiples

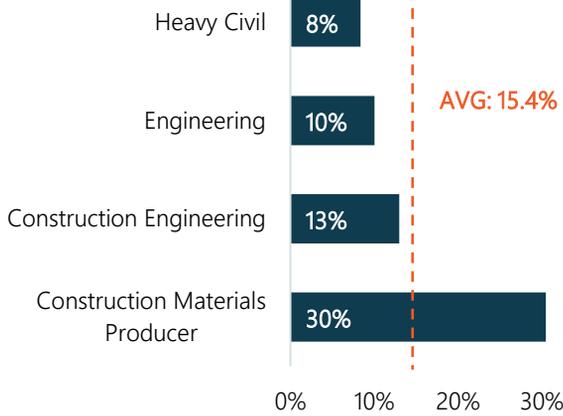
LTM REVENUE GROWTH



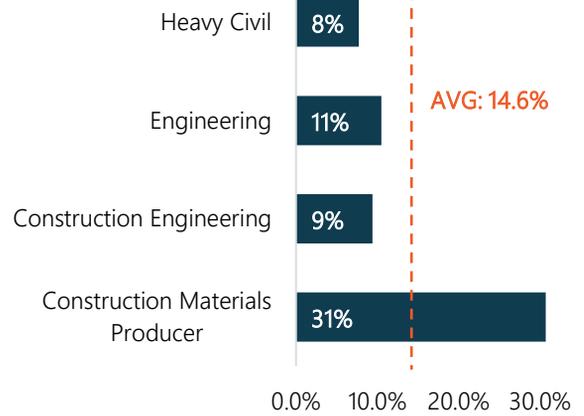
NTM REVENUE GROWTH



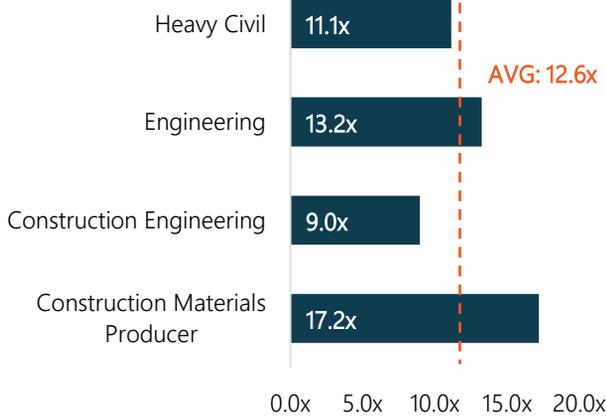
LTM EBITDA MARGIN



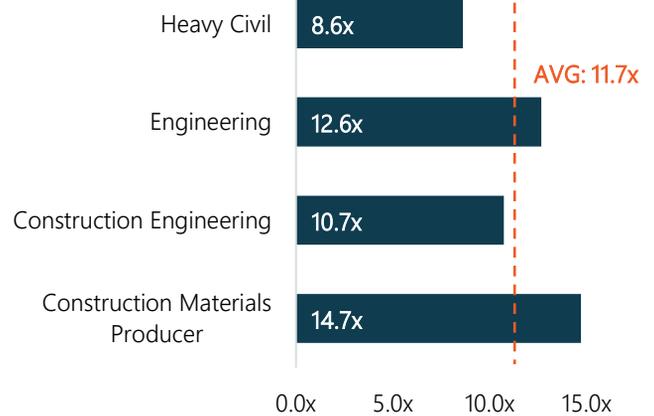
NTM EBITDA MARGIN



LTM EV/EBITDA



NTM EV/EBITDA

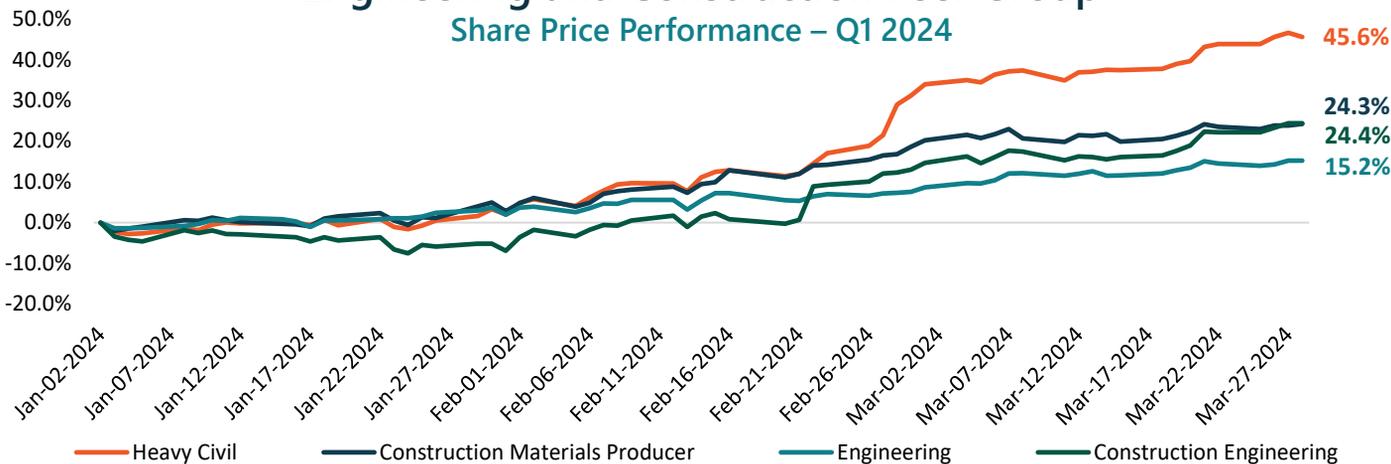


Public Comparable Analysis

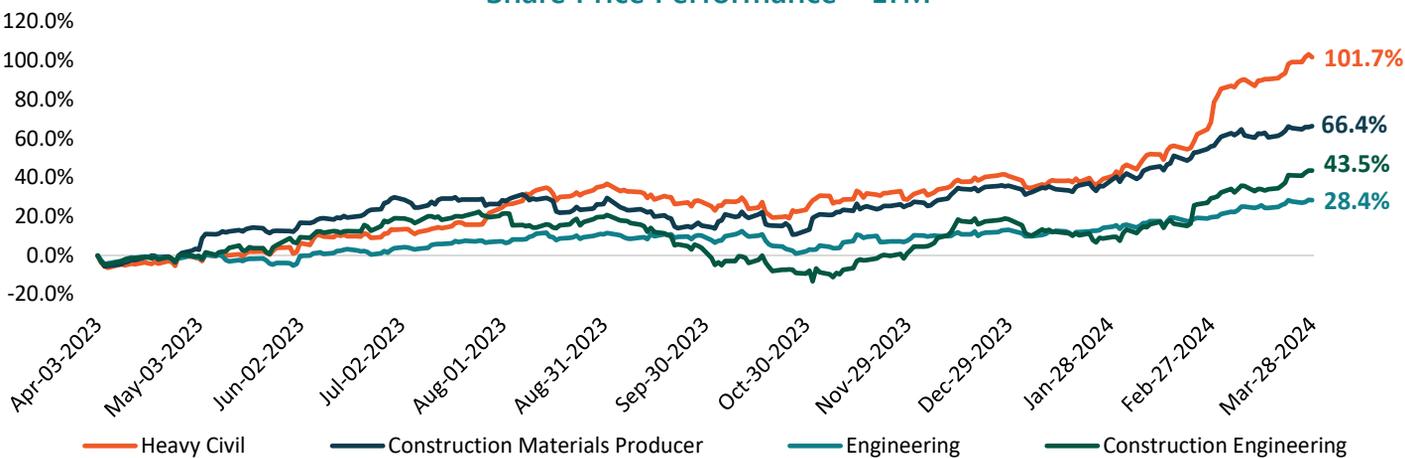
Performance Analysis

Engineering and Construction Peer Group

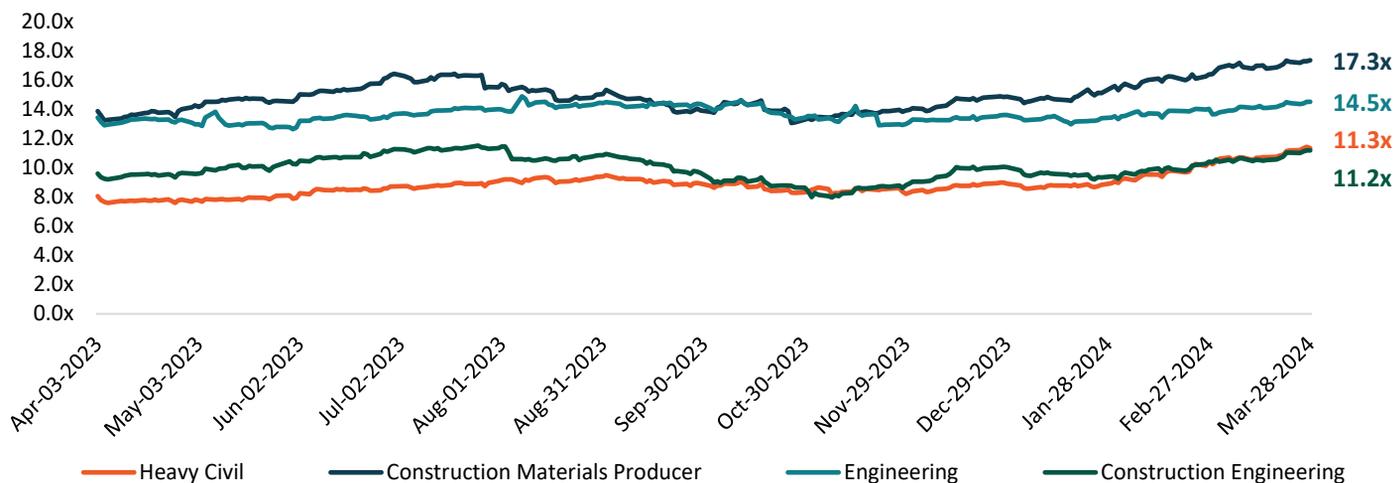
Share Price Performance – Q1 2024



Share Price Performance – LTM



Historical LTM EV/EBITDA



Source: S&P Capital IQ. Data as of March 31, 2024.
Further details provided on page 6.
"LTM" refers to last twelve months.

About Us

MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

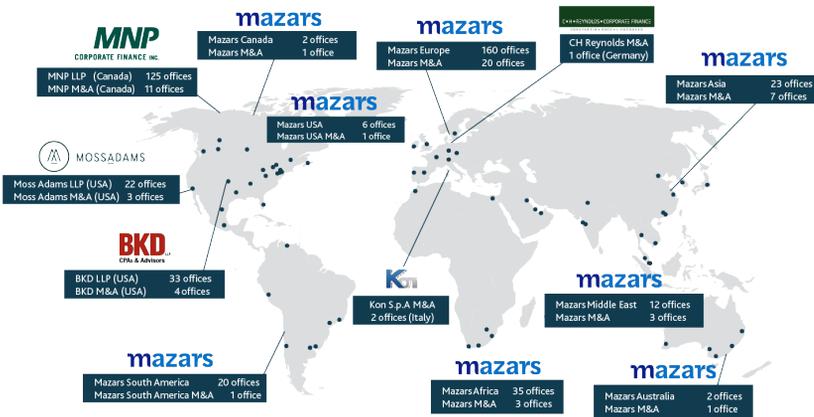
Our typical transactions range in value between \$3 million and \$300 million.

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.



CFxBorder - Global reach with local relationships
 Our corporate finance team through CFxBorder 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)

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

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

MNP Corporate Finance Inc. acted as exclusive financial advisor in arranging this private placement.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Atlas Sign & Awning Company in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Trusspoint Quality Partners and JDI Cleaning Services.

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

MNP Corporate Finance Inc. acted as exclusive financial advisor to Lessard Callingwood Veterinary Hospital Ltd. in structuring and negotiating this transaction.

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

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

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

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 10 years alone, we have completed over 275 transactions worth over \$4.7 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- 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)



Leadership Team

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