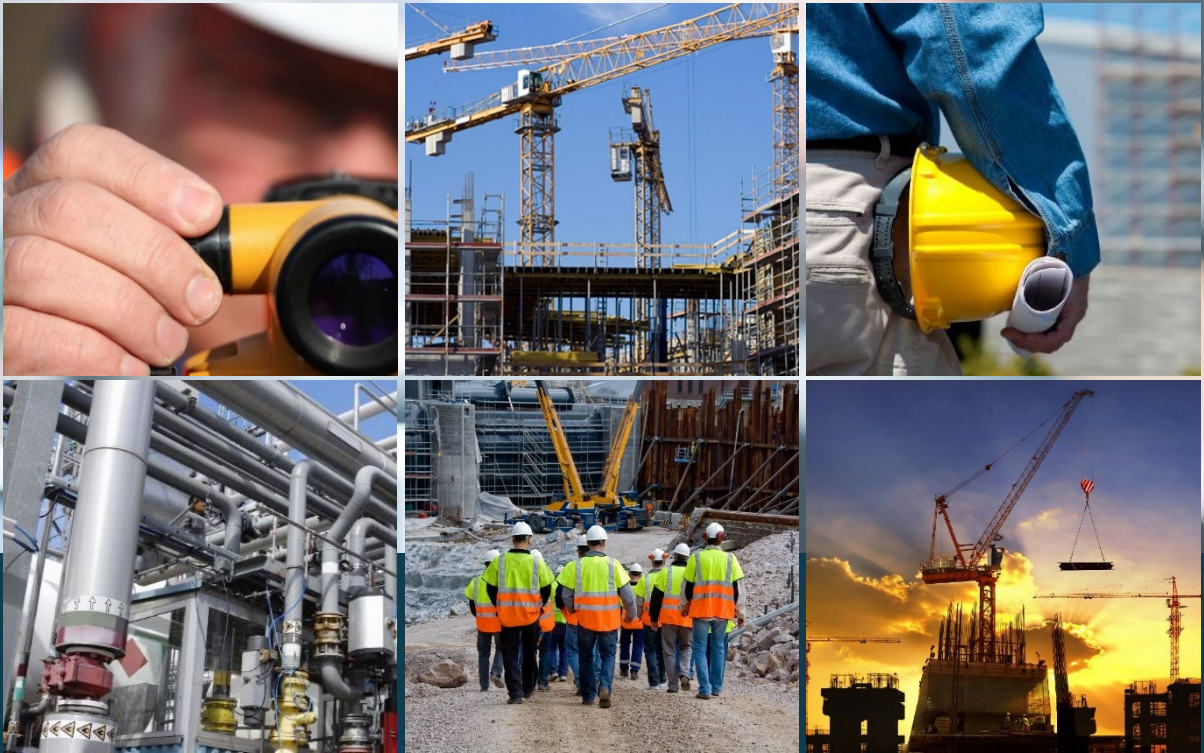


Engineering & Construction

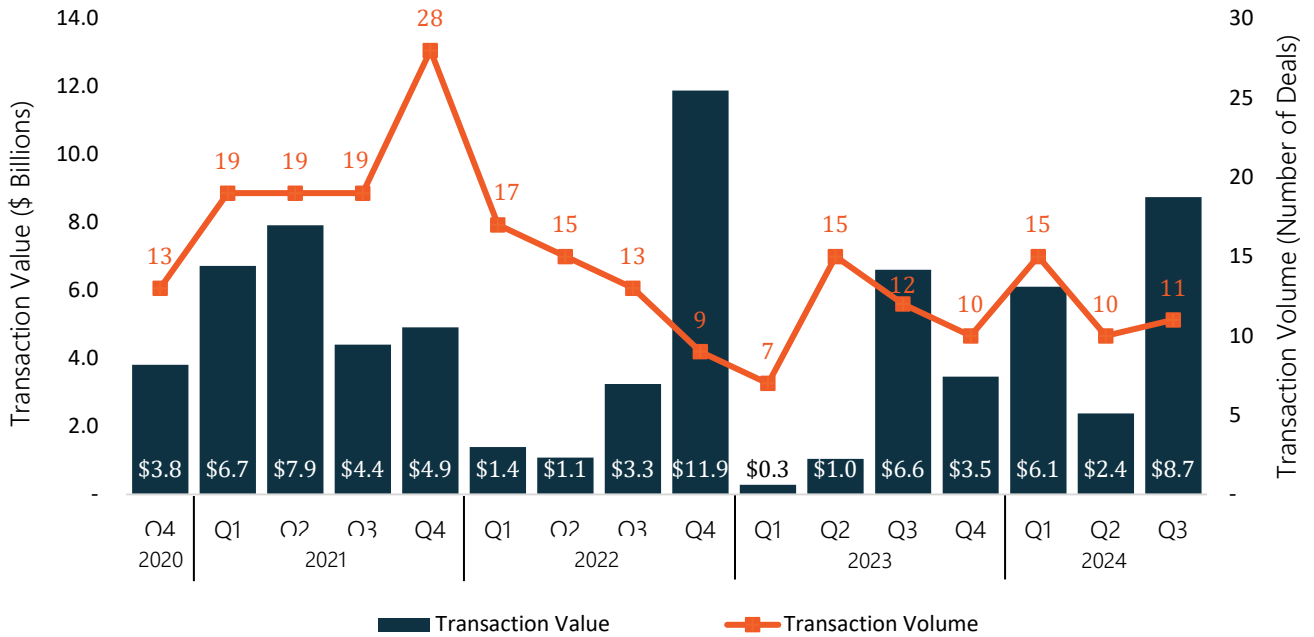
Quarterly Update | Q3 2024



Industry Overview

M&A Transactions & Performance

NORTH AMERICAN ENGINEERING & CONSTRUCTION M&A ACTIVITY



Source: S&P Capital IQ. Data as of September 30, 2024. All figures are in CAD.
Transaction value is only inclusive of total transaction values which have been disclosed within S&P Capital IQ.
"YTD" = Year-to-Date (Q1 to Q3)

Q3 Transactions
11
(+1 vs. Q2 2024)

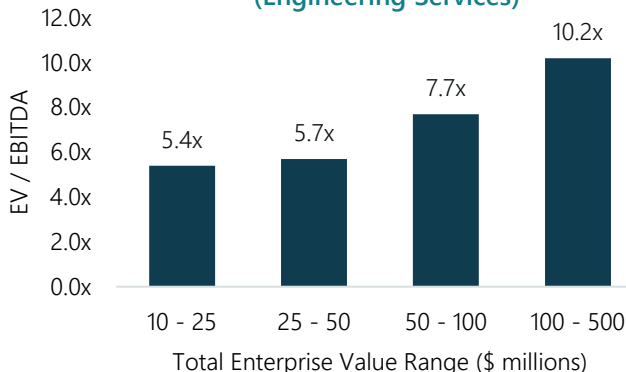
Q3 Transaction Value
\$8.7 billion
(+\$6.3 billion vs. Q2 2024)

YTD 2024 Transactions
36
(+2 vs. YTD 2023)

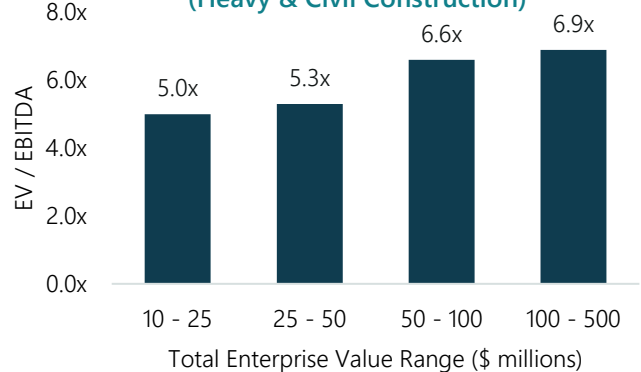
YTD 2024 Transaction Value
\$17.2 billion
(+\$9.3 billion vs. YTD 2023)

The Engineering and Construction M&A market experienced growth in both transaction volume and value in Q3 2024 compared to Q2 2024. This increase was driven by a lower inflation rate and policy interest rate, resulting in 11 mid-market deals across the U.S. and Canada. The most notable transaction was WSP Global Inc.'s acquisition of Power Engineers Inc. for \$2.4 billion. This activity highlights continued interest in strategic acquisitions. Additionally, year-to-date transaction volume and value have risen compared to YTD of the previous year, suggesting a rebound in M&A activity as central banks ease monetary policy amid stable inflation.

Private Equity Deal Multiples (Engineering Services)



Private Equity Deal Multiples (Heavy & Civil Construction)



Select Recent M&A Transactions

Robert Young Group of Companies

has acquired



G. Williams Paving

Closed	Sep 2024
EV	Not Disclosed
EV/EBITDA	Not Disclosed

- Robert Young Group of Companies owns a portfolio of equipment rental and aggregates businesses.
- G. Williams Paving Ltd. and Williams Hot Mix Ltd. (Williams) is an asphalt manufacturer and full service commercial and residential paving contractor.

The acquisition allows the Robert Young Group of Companies to expand into the Kingston asphalt and paving market.



has acquired



Closed	Aug 12, 2024
EV	\$2.4 billion
EV/EBITDA	18.0x

- WSP Global Inc. (WSP) is a publicly traded professional services firm that provides strategic advisory, engineering, and design services.
- Power Engineers Inc. (Power Engineers) is an engineering and environmental consulting firm.

The acquisition allows WSP to achieve its strategic vision to expand its capabilities in the power and energy sector in 2024.



has acquired



Closed	Aug 8, 2024
EV	\$687.3 million
EV/EBITDA	8.6x

- Gamut Capital Management, L.P. (Gamut) is a New York-based middle market private equity firm.
- Airtron Heating & Air Conditioning (Airtron) is a designer, installer, and maintenance provider for heating, ventilation, and air conditioning systems.

This acquisition will enable Airtron to expand its geographic presence and grow its platform organically.



has acquired



Closed	Jul 18, 2024
EV	\$2.3 billion
EV/EBITDA	11.0x

- Quanta Services, Inc. (Quanta Services) is a publicly traded company that provides energy and communications infrastructure design, installation, repair, and maintenance services.
- Cupertino Electric, Inc. (Cupertino) is an electrical infrastructure solutions provider to the technology, renewable energy and infrastructure, and commercial industries.

This acquisition provides Quanta Services with a low-voltage electrical platform to diversify and expand its customer base and service offerings.

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%

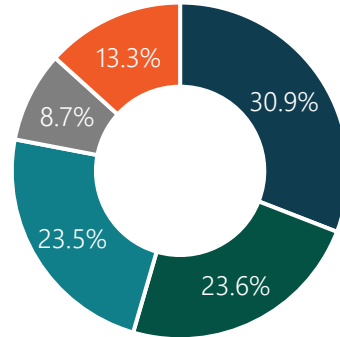
Projected Annual Growth 2024– 2029

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%

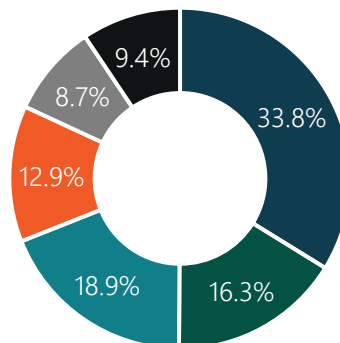
Projected Annual Growth 2024 – 2029

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

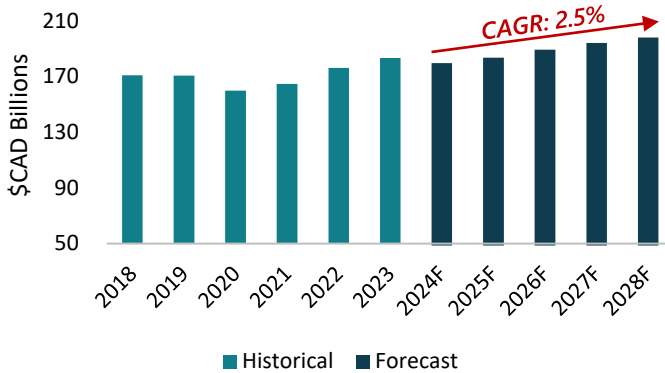
Canadian Macroeconomic Indicators

Canada's housing market and construction activity declined over the past two and a half years due to aggressive interest rate hikes by the Bank of Canada (BoC) aimed at controlling high inflation. However, inflation experienced a sharp decline, dropping from 2.7% in June to 1.6% in September. This was driven by significant reductions in gasoline prices and rent. Additionally, the BoC cut interest rates for the first time since March 2020, lowering the target overnight rate by 0.25% to 4.75% in June 2024. Another two interest rate cuts occurred in the following months, reducing rates to 4.25%. This indicates that the BoC is easing its monetary policy and believes that the economy is moving towards a more stable inflation rate, approaching its long-term 2% target.¹

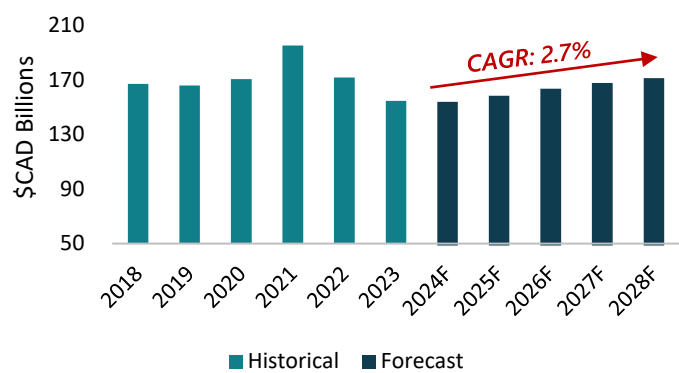
Canada's housing starts rose by 5.0% in September 2024 compared to August 2024.² Easing interest rates may have improved housing affordability, contributing to this increase. Additionally, growth in urban multi-family and urban single-detached construction played a role in the rise in housing starts.³ The construction sector also added 7,900 jobs in September 2024, marking a 0.5% increase from August 2024. Despite these gains, a labour shortage continues to limit further growth in new housing starts.⁴

The mid- to long-term outlook for Canada's engineering and construction industry could be promising. Economists anticipate an additional interest rate cut in the fourth quarter of 2024,⁵ which is expected to lower financing costs for M&A transactions. Construction activity seems to be picking up again based on housing starts and stronger M&A activity in the sector. Activity is expected to increase for both residential and non-residential sectors, fueled by more government and private investments (see below).⁶

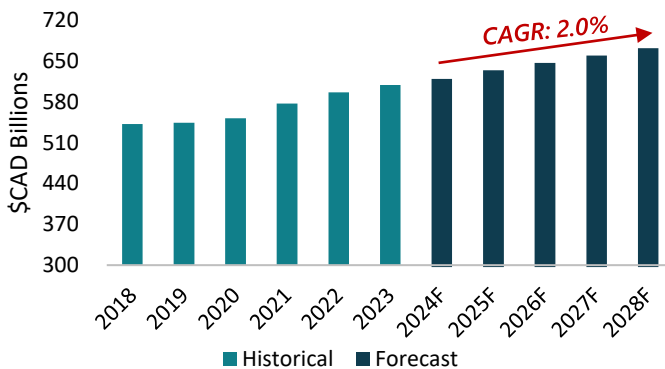
Value of Non-Residential Construction - Canada



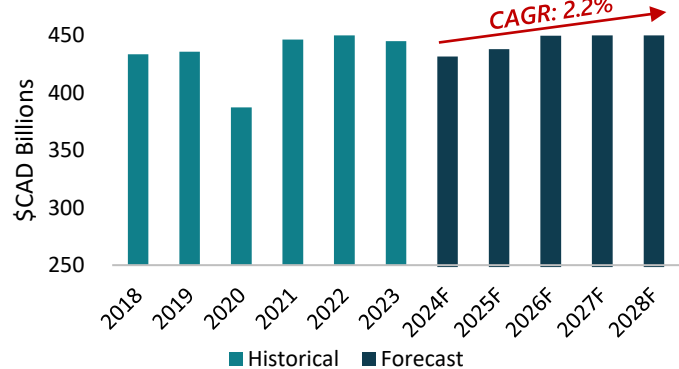
Value of Residential Construction - Canada



Government Consumption and Investment - Canada



Aggregate Private Investment - Canada



Source: 1. Bank of Canada 2. Trading Economics 3. TD Economics 4. Onsite 5. The Globe and Mail 6. IBISWorld Business Environment Reports
"F" indicates forecast. "CAGR" indicates compound annual growth rate.

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.

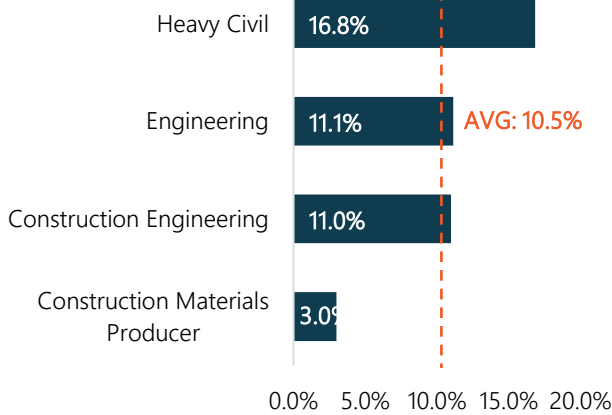
(Figures in CAD millions, except percentages and ratios)

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.	\$27,137	\$26,541	\$18,813	17.4%	\$2,179	11.6%	10.4%	9.3%	13.8x	12.3x	1.4x	
Sterling Infrastructure, Inc.	\$6,021	\$5,830	\$2,832	10.8%	\$457	16.1%	8.1%	14.2%	13.5x	12.9x	2.1x	
Construction Partners, Inc.	\$4,975	\$5,591	\$2,410	18.8%	\$319	13.3%	14.3%	12.2%	16.7x	17.7x	2.4x	
Granite Construction Incorporated	\$4,679	\$5,141	\$5,208	16.8%	\$368	7.1%	6.0%	10.7%	8.7x	14.2x	1.0x	
Primoris Services Corporation	\$4,211	\$5,751	\$8,241	14.0%	\$733	8.9%	3.3%	6.4%	10.6x	8.0x	0.7x	
Bird Construction Inc.	\$1,337	\$1,467	\$3,138	23.5%	\$138	4.4%	19.9%	6.5%	6.0x	10.6x	0.5x	
Aecon Group Inc.	\$1,307	\$1,110	\$4,070	(16.3%)	(\$101)	(2.5%)	8.1%	6.8%	3.7x	NM	0.3x	
Median	\$4,679	\$5,591	\$4,070	16.8%	\$368	8.9%	8.1%	9.3%	10.6x	12.6x	1.0x	
Mean	\$7,095	\$7,347	\$6,388	12.2%	\$585	8.4%	10.0%	9.5%	10.4x	12.6x	1.2x	
Engineering												
WSP Global Inc.	\$29,966	\$34,349	\$14,840	9.3%	\$1,946	13.1%	(12.1%)	18.1%	14.5x	17.7x	2.3x	
Jacobs Solutions Inc.	\$21,972	\$26,190	\$23,197	6.3%	\$2,233	9.6%	(28.8%)	10.6%	15.1x	11.9x	1.1x	
AECOM	\$18,704	\$20,993	\$21,676	13.4%	\$1,723	7.9%	5.5%	6.9%	13.5x	12.3x	1.0x	
Stantec Inc.	\$12,406	\$14,580	\$5,422	13.0%	\$862	15.9%	13.1%	16.8%	14.2x	16.9x	2.7x	
KBR, Inc.	\$11,707	\$13,976	\$9,817	7.2%	\$1,284	13.1%	12.8%	11.1%	11.5x	11.0x	1.4x	
Fluor Corporation	\$11,040	\$9,053	\$21,547	4.9%	\$892	4.1%	13.2%	4.1%	9.2x	10.3x	0.4x	
AtkinsRéalis Group Inc.	\$9,624	\$11,734	\$9,108	14.7%	\$789	8.7%	7.9%	10.2%	11.7x	14.9x	1.3x	
NV5 Global, Inc.	\$2,056	\$2,418	\$1,238	12.9%	\$192	15.5%	6.0%	17.1%	10.8x	12.8x	2.0x	
Willdan Group, Inc.	\$774	\$867	\$755	20.9%	\$71	9.5%	1.9%	10.3%	11.0x	12.3x	1.2x	
Mistras Group, Inc.	\$476	\$809	\$1,007	6.5%	\$118	11.7%	2.3%	-	0.0x	7.0x	0.8x	
Median	\$11,373	\$12,855	\$9,463	11.1%	\$877	10.7%	5.7%	10.5%	11.6x	12.3x	1.2x	
Mean	\$11,872	\$13,497	\$10,861	10.9%	\$1,011	10.9%	2.2%	10.5%	11.1x	12.7x	1.4x	
Construction Engineering												
Quanta Services, Inc.	\$59,342	\$63,818	\$30,153	20.0%	\$4,303	14.3%	15.7%	9.7%	19.0x	15.0x	2.1x	
MasTec, Inc.	\$12,955	\$16,621	\$16,677	11.0%	\$2,299	13.8%	6.0%	7.8%	12.0x	7.3x	1.0x	
Dycom Industries, Inc.	\$7,750	\$9,074	\$6,140	9.6%	\$819	13.3%	9.4%	12.3%	11.0x	11.4x	1.5x	
MYR Group Inc.	\$2,280	\$2,398	\$4,911	6.7%	\$200	4.1%	(1.3%)	4.4%	11.4x	12.2x	0.5x	
Argan, Inc.	\$1,850	\$1,200	\$985	48.0%	\$74	7.5%	19.4%	9.8%	10.5x	16.6x	1.2x	
Median	\$7,750	\$9,074	\$6,140	11.0%	\$819	13.3%	9.4%	9.7%	11.4x	12.2x	1.2x	
Mean	\$16,835	\$18,622	\$11,773	19.1%	\$1,539	10.6%	9.8%	8.8%	12.8x	12.5x	1.3x	
Construction Materials Producer												
Vulcan Materials Company	\$44,678	\$49,977	\$10,375	(0.0%)	\$2,944	28.4%	2.3%	28.3%	16.7x	17.2x	4.9x	
Martin Marietta Materials, Inc.	\$44,441	\$50,701	\$9,057	2.4%	\$2,994	33.1%	5.6%	32.9%	16.1x	17.2x	5.7x	
Eagle Materials Inc.	\$13,064	\$14,523	\$3,102	3.6%	\$1,134	36.6%	5.8%	37.6%	11.8x	13.0x	4.7x	
Summit Materials, Inc.	\$9,258	\$12,464	\$4,624	36.8%	\$1,101	23.8%	25.4%	24.5%	8.8x	11.5x	2.7x	
Median	\$28,753	\$32,250	\$6,840	3.0%	\$2,039	30.7%	5.7%	30.6%	14.0x	15.1x	4.8x	
Mean	\$27,861	\$31,916	\$6,789	10.7%	\$2,043	30.5%	9.8%	30.8%	13.4x	14.7x	4.5x	

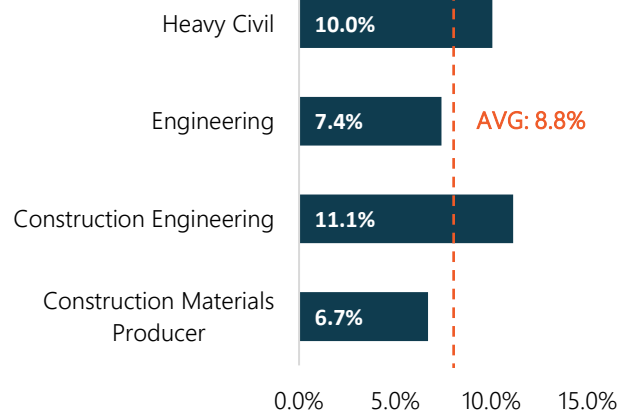
Public Comparable Analysis

Growth, Margins & Multiples

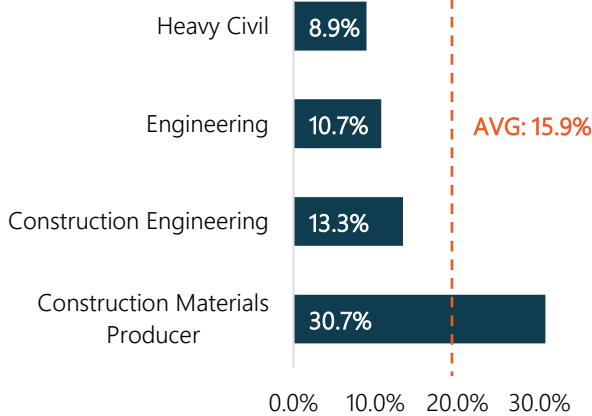
LTM REVENUE GROWTH



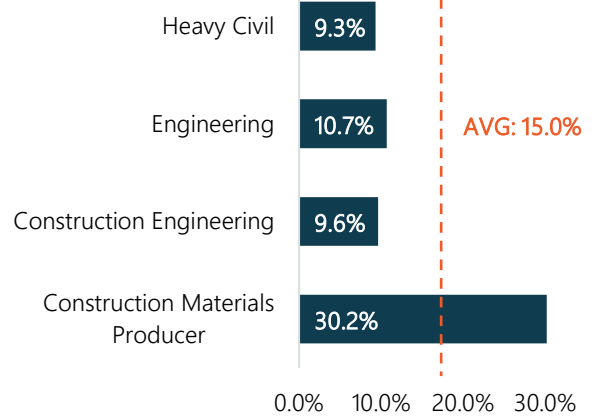
NTM REVENUE GROWTH



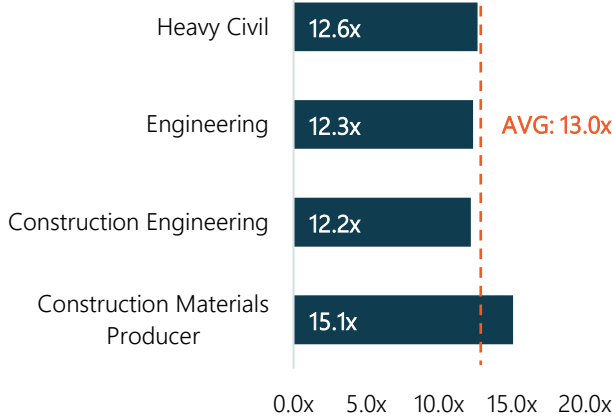
LTM EBITDA MARGIN



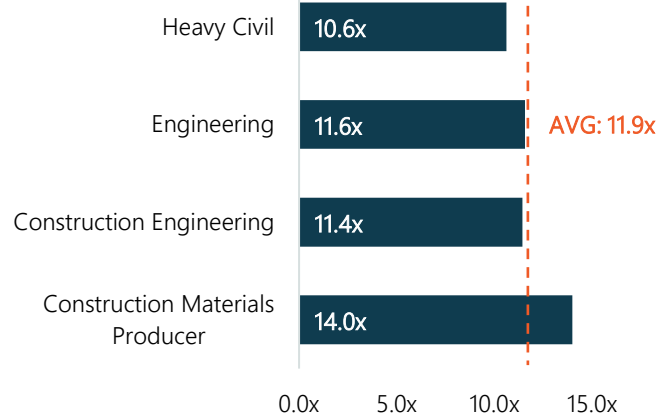
NTM EBITDA MARGIN



LTM EV/EBITDA

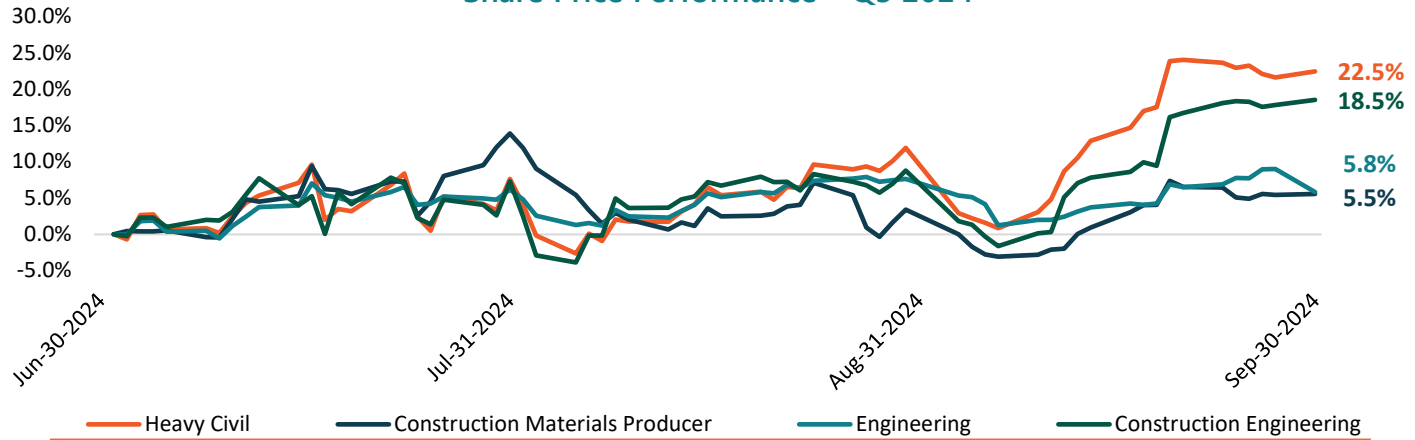


NTM EV/EBITDA

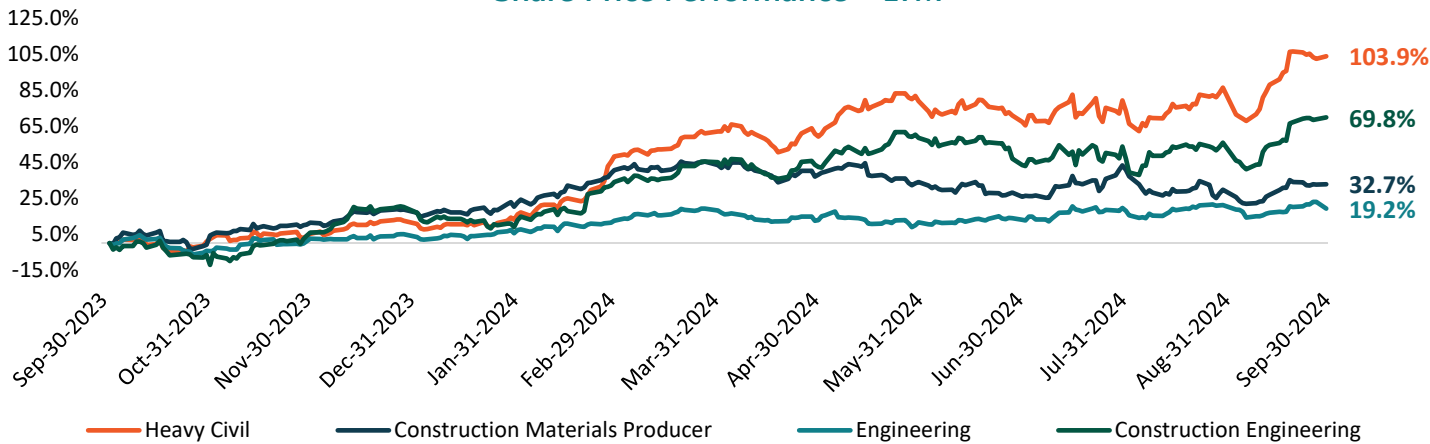


Engineering and Construction Peer Group

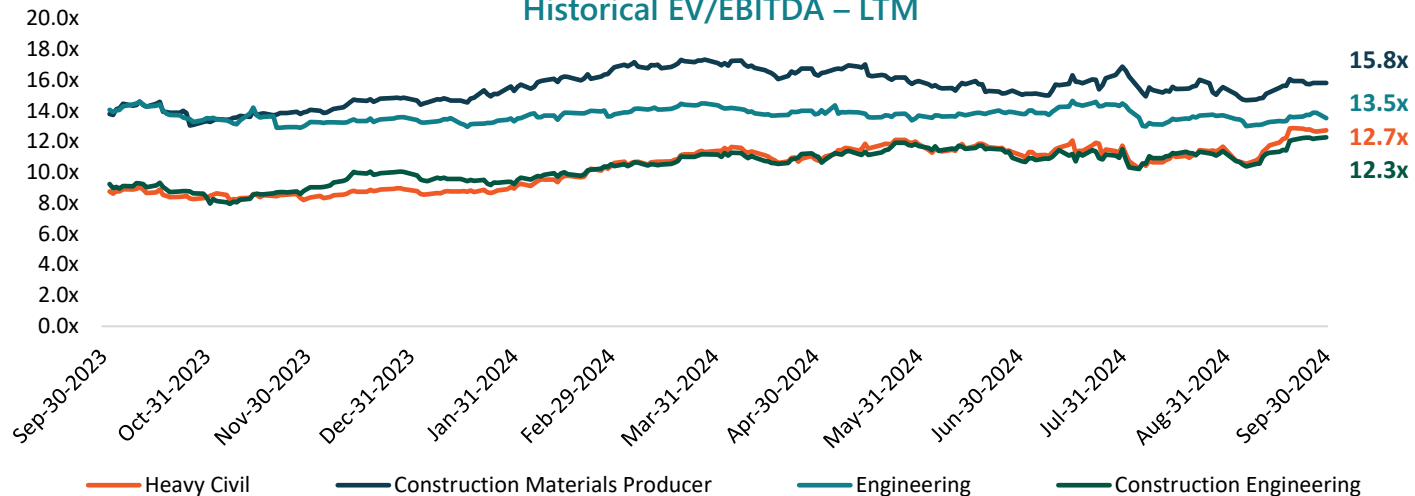
Share Price Performance – Q3 2024



Share Price Performance – LTM



Historical EV/EBITDA – LTM



Source: S&P Capital IQ. Data as of September 30, 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.

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 300 transactions worth more than \$5 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

Services

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

Recently Closed Deals (National)

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

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

MNP Corporate Finance Inc. acted as exclusive financial advisor to Sommers Generator Systems in structuring and negotiating this transaction, and providing vendor due diligence services.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Château des Charmes Wines Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Uni-Select Inc.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Uni-Select Inc.

MNP Corporate Finance Inc. acted as exclusive financial advisor to G. Williams Paving Ltd. & Williams Hot Mix Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to All Parts Automotive Limited (dba "General Auto Parts") in structuring and negotiating this transaction.

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

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

About Us

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.

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.



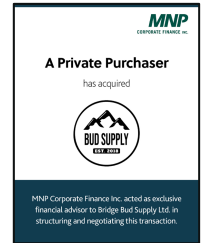
Recently Closed Deals (National)



MNP
CORPORATE FINANCE INC.

MYCROFT HOLDINGS
has made an investment in
Heartwood and **HDL**

MNP Corporate Finance Inc. acted as the exclusive financial advisor to Mycroft Holdings Ltd. & Heartwood Distributors Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

A Private Purchaser
has acquired
BUD SUPPLY
EST. 1973

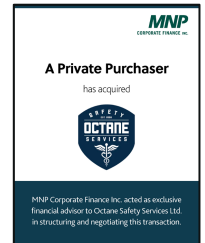
MNP Corporate Finance Inc. acted as exclusive financial advisor to Bridge Bud Supply Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

Sugar Maple Capital
has acquired
EEE Eden Energy Equipment

MNP Corporate Finance Inc. provided financial and tax due diligence services to Sugar Maple Capital.



MNP
CORPORATE FINANCE INC.

A Private Purchaser
has acquired
OCTANE SERVICES

MNP Corporate Finance Inc. acted as exclusive financial advisor to Octane Safety Services Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

E360S
Sustained Environmental Management
has acquired
SCP SCS

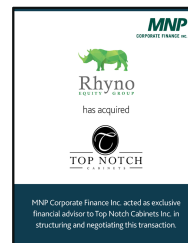
MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Inc.



MNP
CORPORATE FINANCE INC.

OPALCAP PARTNERS
has acquired
SWIFT
Delivery Systems

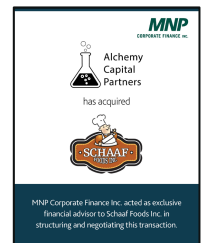
MNP Corporate Finance Inc. provided financial due diligence services to OpalCap Partners.



MNP
CORPORATE FINANCE INC.

Rhino
has acquired
TOP NOTCH

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



MNP
CORPORATE FINANCE INC.

Alchemy Capital Partners
has acquired
SCHAAF
FOODS INC.

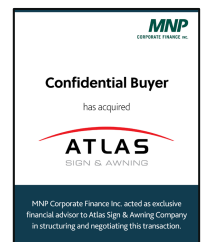
MNP Corporate Finance Inc. acted as exclusive financial advisor to SchAAF Foods Inc. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

Be Cocola **Tortilla Chips**
has raised debt refinancing and growth capital of
\$11,150,000

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



MNP
CORPORATE FINANCE INC.

Confidential Buyer
has acquired
ATLAS
SIGN & AWNING

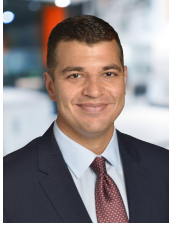
MNP Corporate Finance Inc. acted as exclusive financial advisor to Atlas Sign & Awning Company in structuring and negotiating this transaction.

Leadership Team

Transaction Leadership



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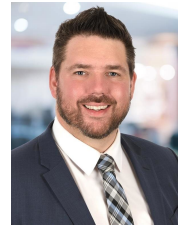
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