



ENGINEERING & CONSTRUCTION

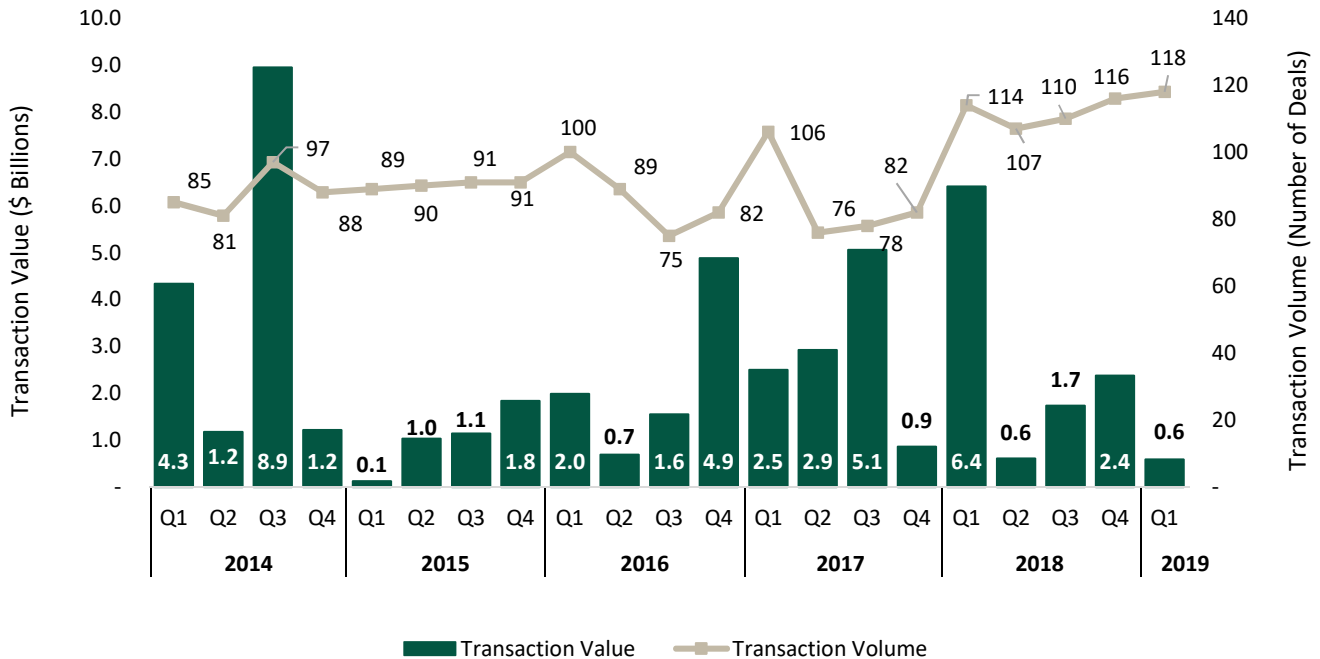
QUARTERLY UPDATE

Q1 2019

INDUSTRY OVERVIEW

M&A TRANSACTIONS & PERFORMANCE

NORTH AMERICAN ENGINEERING & CONSTRUCTION M&A ACTIVITY



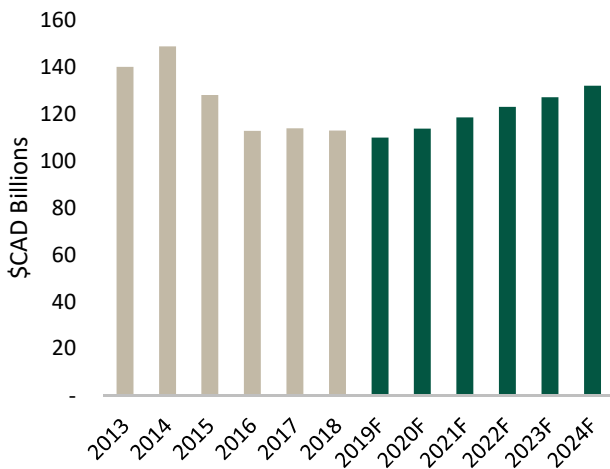
M&A MARKET UPDATE - Q1 2019

- For the first quarter of 2019, total disclosed deal values totaled \$0.6B, the lowest over the past 21 quarters, representing a decrease of 75.0% compared to Q4 2018. The average disclosed deal value has declined 48.9% to \$45.6M compared to \$89.3M in Q4 2018. There were fewer large transactions during the quarter, with three transactions over \$100M compared to eight in Q4 2018. The largest deal of Q1 2019 was Houston, Texas-based Comfort Systems USA (NYSE: FIX), purchasing Irving, Texas-based Walker TX Holding Company, Inc. for \$203.0M.
- Despite the decline in total deal value, M&A transaction volumes have remained stable within the North American engineering and construction industry. In total, 118 M&A transactions occurred during Q1 2019 compared to 116 transactions during Q4 2018.
- Overall, the global economic environment has improved significantly in Q1 2019 compared to Q4 2018. Greater progress in US-China trade talks and the withdrawal of retaliatory tariffs by both sides has helped in diffusing trade tensions amongst the two superpowers. In addition, the U.S. Federal Reserve has taken a more dovish stance on monetary tightening by lowering its planned rate hikes for 2019 from two (as forecasted in December 2018) to zero. These two factors may encourage greater M&A activity within the sector going forward.
- The markets have recovered from the December 2018 sell-off, with the S&P 500 index returning 14.2% during the three months ended Q1 2019. Our peer group analysis (on page 5) shows stock performance of aggregate suppliers increased 21.9% during the quarter, while heavy civil and engineering firms increased 5.7% and 7.0% respectively.

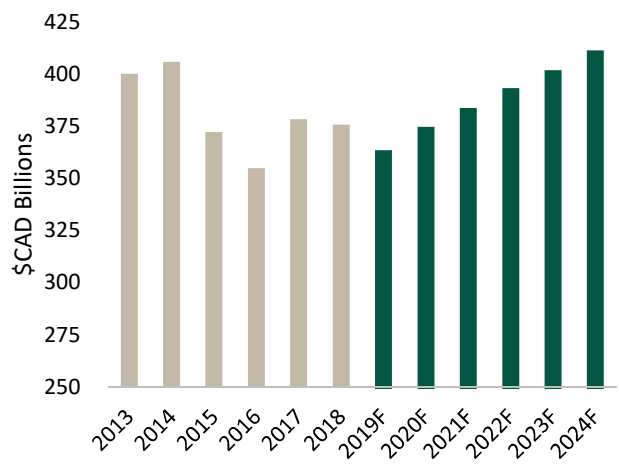
MACRO ECONOMIC INDICATORS

The key external drivers that affect the engineering and construction industry in Canada include: non-residential construction (expenditure on office buildings, hospitals, factories, power plants, mining shafts, communication lines, farms, railroads and schools), 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. An increase in non-residential construction, private investment and government expenditure and investment will fuel industry growth, while low lending rates will stimulate investment.

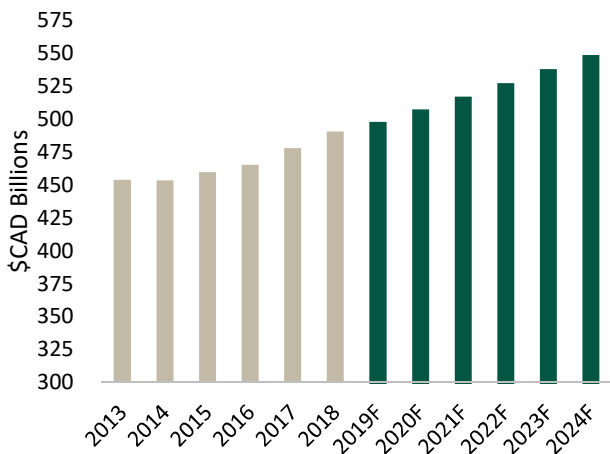
VALUE OF NON-RESIDENTIAL CONSTRUCTION - CANADA



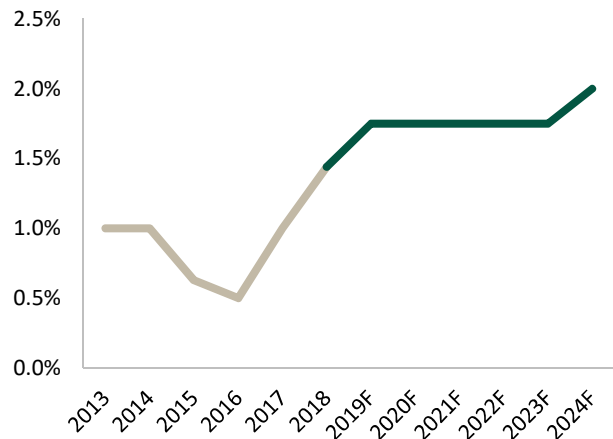
AGGREGATE PRIVATE INVESTMENT - CANADA



GOVERNMENT EXPENDITURE & INVESTMENT - CANADA



INTERBANK OVERNIGHT LENDING RATE



Source: IBISWorld Industry Reports.
"F" indicates forecast.

SELECT RECENT M&A TRANSACTIONS



acquired



Announced	Mar 5, 2019
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Lehigh Hanson Canada, part of the Heidelberg Cement Group, is an aggregates, concrete, and cement producer and manufacturer of concrete pipes with operations across Canada and Washington State. The Company is based in Edmonton, Alberta.
- Founded in 1953 and based in Coquitlam, B.C., Jack Cewe Ltd. is one of the largest independent aggregate suppliers in B.C. and one of the longest tenured civil construction companies in Western Canada. Jack Cewe Ltd. divested its aggregates business in this transaction.



acquired



Announced	Feb 15, 2019
TEV	\$18.5M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- GSE Systems Inc., based in Sykesville, Maryland, is a public company (NASDAQ: GVP) that develops simulation training and optimization software for customers in the power generation and energy sector.
- DP Engineering Ltd., headquartered in Fort Worth, Texas, provides a wide range of fire protection engineering, consulting, civil structure design, and mechanical design.



acquired



Announced	Jan 12, 2019
TEV	\$186.0M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Ply Gem Industries, Inc., owned by NCI Building Systems, manufactures and distributes throughout North America exterior building products for residential homes. The Company is headquartered in Cary, North Carolina.
- Environmental Materials, LLC is based in Denver, Colorado. Operating as Environmental StoneWorks, the Company designs, produces, and installs stone veneers for interior and exterior aesthetics.



acquired



Announced	Feb 21, 2019
TEV	\$203.0M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Comfort Systems USA, based in Houston, Texas, designs and produces commercial and industrial heating, ventilation and air conditioning (HVAC) systems, and building infrastructures systems for customers across the US.
- Walker TX Holding Company, Inc., is a provider of commercial electrical, automation, and control systems. This Irving, Texas-based company supplies its equipment to the manufacturing, energy, petrochemical, and food and beverage industry.

PUBLIC COMPARABLE ANALYSIS

TRADING MULTIPLES & OPERATING STATISTICS

(Figures in \$USD 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											
Granite Construction Incorporated	\$2,015	\$1,858	\$3,318	11.0%	\$235	7.1%	13.0%	9.7%	5.1x	7.9x	0.6x
Primoris Services Corporation	\$1,049	\$1,271	\$2,939	23.5%	\$223	7.6%	7.6%	7.3%	5.5x	5.7x	0.4x
Tutor Perini Corporation	\$858	\$1,482	\$4,455	(6.4%)	\$239	5.4%	10.6%	6.3%	4.8x	6.2x	0.3x
Aecon Group Inc.	\$789	\$800	\$2,394	16.4%	\$141	5.9%	0.5%	6.6%	5.1x	5.7x	0.3x
Median	\$953	\$1,377	\$3,129	13.7%	\$229	6.5%	9.1%	6.9%	5.1x	5.9x	0.4x
Mean	\$1,178	\$1,353	\$3,277	11.1%	\$209	6.5%	7.9%	7.5%	5.1x	6.4x	0.4x

Aggregate Supplier											
Vulcan Materials Company	\$15,637	\$18,509	\$4,383	12.7%	\$1,123	25.6%	8.8%	27.0%	14.4x	16.5x	4.2x
Martin Marietta Materials, Inc.	\$12,560	\$15,638	\$3,980	6.9%	\$1,050	26.4%	14.0%	26.7%	12.9x	14.9x	3.9x
Eagle Materials Inc.	\$3,869	\$4,479	\$1,393	0.9%	\$449	32.3%	0.9%	32.5%	9.8x	10.0x	3.2x
Summit Materials, Inc.	\$1,772	\$3,521	\$2,101	8.7%	\$375	17.9%	(2.8%)	21.7%	7.9x	9.4x	1.7x
U.S. Concrete, Inc.	\$688	\$1,407	\$1,506	12.8%	\$171	11.4%	6.2%	13.4%	6.5x	8.2x	0.9x
Median	\$3,869	\$4,479	\$2,101	8.7%	\$449	25.6%	6.2%	26.7%	9.8x	10.0x	3.2x
Mean	\$6,905	\$8,711	\$2,673	8.4%	\$634	22.7%	5.4%	24.3%	10.3x	11.8x	2.8x

Engineering											
SNC-Lavalin Group Inc.	\$4,454	\$6,661	\$7,390	8.0%	\$409	5.5%	1.8%	10.5%	8.4x	16.3x	0.9x
Jacobs Engineering Group Inc.	\$10,490	\$12,364	\$16,284	75.9%	\$960	5.9%	(22.4%)	7.9%	12.4x	12.9x	0.8x
AECOM	\$4,631	\$7,886	\$20,282	8.1%	\$838	4.1%	0.4%	4.9%	7.9x	9.4x	0.4x
Stantec Inc.	\$2,642	\$3,190	\$2,459	5.7%	\$259	10.5%	11.2%	12.3%	9.5x	12.3x	1.3x
Median	\$4,543	\$7,273	\$11,837	8.1%	\$623	5.7%	1.1%	9.2%	9.0x	12.6x	0.8x
Mean	\$5,554	\$7,525	\$11,604	24.5%	\$616	6.5%	(2.3%)	8.9%	9.6x	12.7x	0.8x

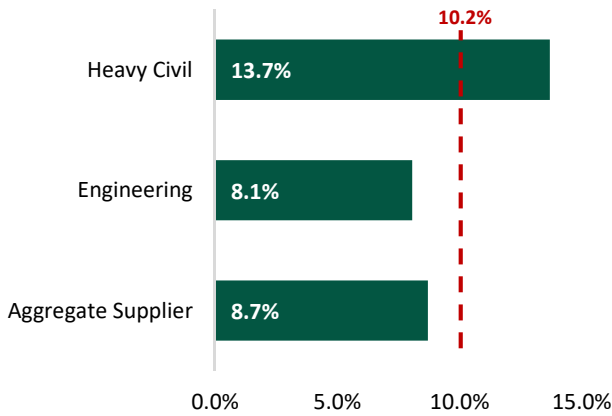
Source: Capital IQ. Data as of March 31, 2019.

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

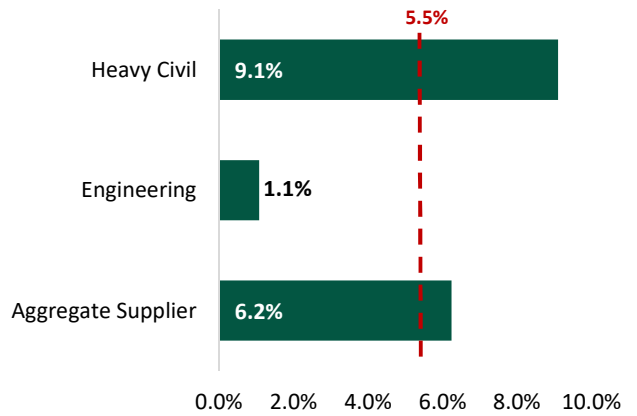
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

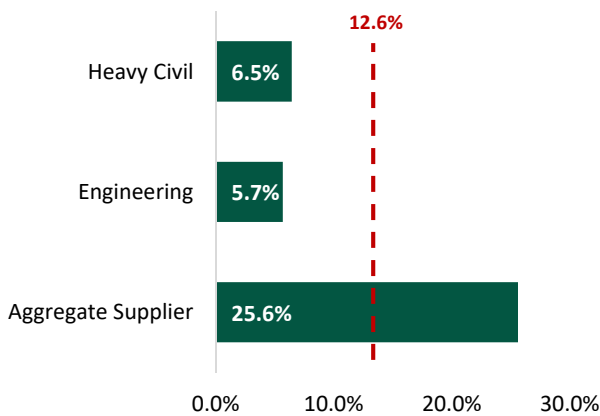
LTM REVENUE GROWTH



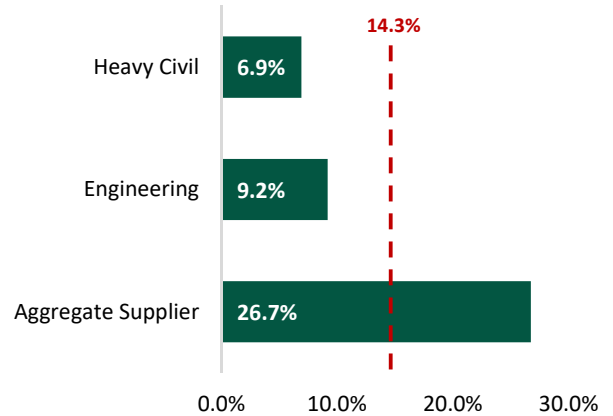
NTM REVENUE GROWTH



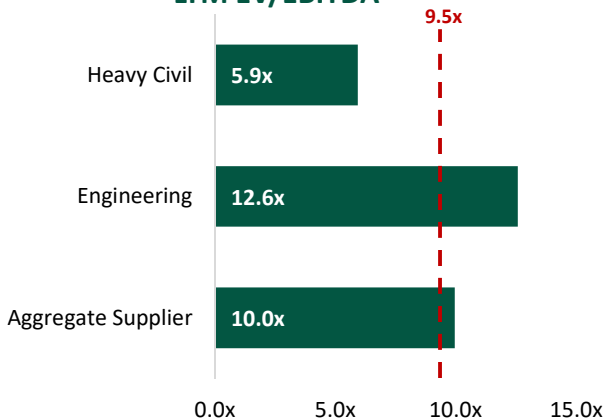
LTM EBITDA MARGIN



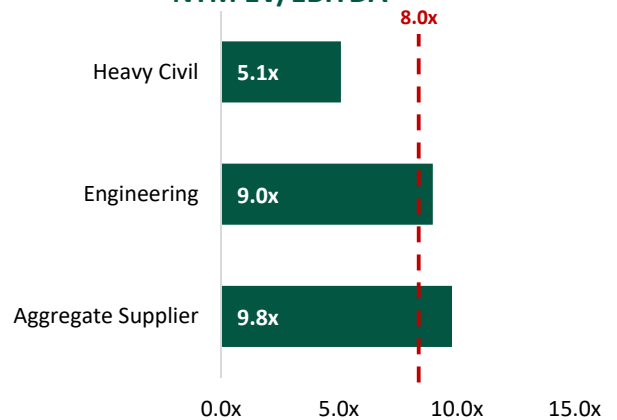
NTM EBITDA MARGIN



LTM EV/EBITDA



NTM EV/EBITDA

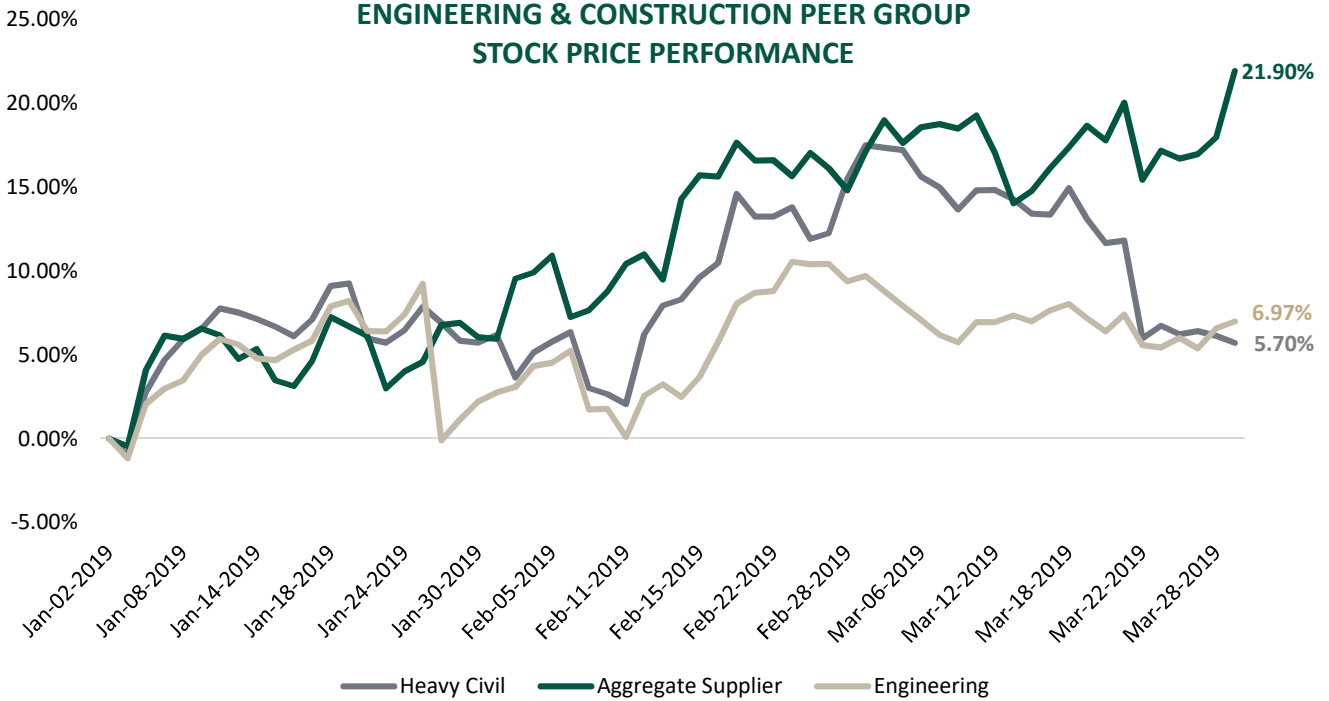


Source: Capital IQ. Data as of March 31, 2019.
 "LTM" refers to last twelve months. "NTM" refers to next twelve months.
 Valuation details provided on page 5. Red dotted line denotes average.

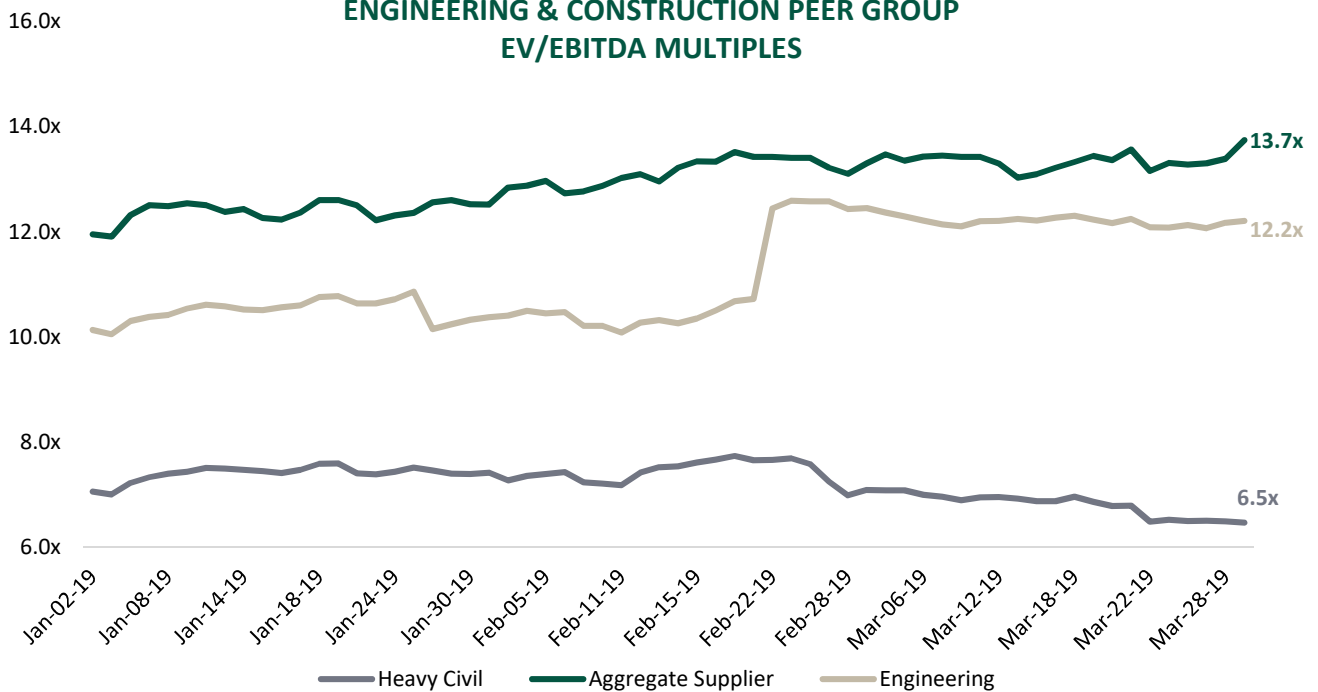
PUBLIC COMPARABLE ANALYSIS

PERFORMANCE ANALYSIS

**ENGINEERING & CONSTRUCTION PEER GROUP
STOCK PRICE PERFORMANCE**



**ENGINEERING & CONSTRUCTION PEER GROUP
EV/EBITDA MULTIPLES**

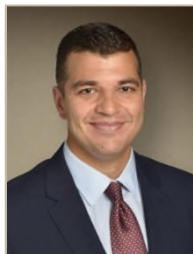


Source: Capital IQ. Data as of March 31, 2019.
Further details provided on page 5.

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MNPCF – RECENTLY CLOSED DEALS

NATIONAL

E.B. Horsman & Son
The Government (Purchasers of Goods)

has acquired

Mack
MOTORCARS - Canada Ltd.

MNP Corporate Finance Inc. was the exclusive financial advisor to E.B. Horsman & Son Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Scotiabank

has provided debt financing to

Yardstick

MNP Corporate Finance Inc. provided financial due diligence services to Yardstick Software Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

The Civil Construction division of
Jack Cowe Ltd.
ESTABLISHED 1953

has merged with

Lehigh Hanson
HEIDELBERGCEMENT Group

MNP Corporate Finance Inc. was the exclusive financial advisor to Jack Cowe Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

ptm
CAPITAL INC.

has invested in

TAM International LP

MNP Corporate Finance Inc. provided financial due diligence services to PTM Capital Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

Nice

has acquired

micanan

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

DIVESTITURES > FINANCING > DUE DILIGENCE

Bonnefield
FARMLAND Ltd. FARMING

has acquired land from a

Confidential Seller

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

DIVESTITURES > FINANCING > DUE DILIGENCE

EQUICAPITA

has acquired

Shaw Group
OF REAL ESTATE INVESTMENT

MNP Corporate Finance Inc. provided financial due diligence services to Equicapita Investment Corp.

DIVESTITURES > FINANCING > DUE DILIGENCE

has acquired

Hall-Chem

MNP Corporate Finance Inc. acted as exclusive financial advisor to Hall-Chem Manufacturing Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

PAPP
INTERNATIONAL

has raised the necessary debt financing to complete the acquisition of

Imagine Publications

MNP Corporate Finance Inc. acted as exclusive financial advisor in arranging the debt raise.

DIVESTITURES > FINANCING > DUE DILIGENCE

EQUICAPITA

has acquired

EPCOR

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CHRYSALIS
SPECIALTY SOLUTIONS

has acquired

Pharm Imports Inc.
(Open Range Pet Treats and Exotic Pet Treats)

MNP Corporate Finance Inc. was the exclusive financial advisor to Pharm Imports Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

telecon

has acquired

CAM-TEL
LINE LOGGING

MNP Corporate Finance Inc. acted as exclusive financial advisor to Cam-Tel Line Logging in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Rubicon
PHARMACIES

has acquired

MY PHARMACY
We Care For You

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CBGF
CANADIAN BUSINESS GROWTH FUND

has provided growth capital to

LIFT AUTO

MNP Corporate Finance Inc. provided financial due diligence services to Canadian Business Growth Fund.

DIVESTITURES > FINANCING > DUE DILIGENCE

MINTOSH PERRY

has acquired

ONSTREAM
Engineering Ltd.

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CAI
CAPITAL PARTNERS

has acquired

ANSN TRAFFIC GROUP

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

DIVESTITURES > FINANCING > DUE DILIGENCE

Redhead
EQUIPMENT

has acquired

Norsask
EQUIPMENT LTD.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Norsask Farm Equipment Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Jim Pattison
autogroup

has acquired

CANYON CREEK TOYOTA

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

DIVESTITURES > FINANCING > DUE DILIGENCE

SANGOMA
TECHNOLOGIES

has acquired

digium

MNP Corporate Finance Inc. provided financial due diligence services to Sangoma Technologies Corporation.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

CO-OP

has acquired

Westview

Tri West

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

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

taiga
building products

has acquired

EXTERIOR WOOD, INC.

MNP Corporate Finance Inc. was the exclusive financial advisor to Taiga Building Products Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

Westcap

has acquired

MDT

MNP Corporate Finance Inc. was the exclusive financial advisor to Westcap MDT Technologies Corp. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has entered into a strategic partnership with a family sponsored food and beverage venture.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Producer Drive Technologies Corp. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

Wright Spud Farms Inc.

has acquired the shares of

Fiskel Farms Transport Ltd.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Fiskel Farms Transport Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

WM
WASTE MANAGEMENT

has acquired

BRESKO

MNP Corporate Finance Inc. was the exclusive financial advisor to Breco Industries Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS