

# Engineering and Construction

INDUSTRY REPORT

Spring | 2023

CREATING  
M&A STRATEGIES  
FOR BUSINESS OWNERS

SINCE 1956







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# Market Observations

# Market Summary

## Engineering and Construction Market

The size of the global engineering services market is expected to grow to \$1.2 trillion in 2023 at a compound annual growth rate (CAGR) of 4.2% from \$1.1trillion in 2022, as per a report published by The Business Research Company. The global construction market grew at a CAGR of 6.6% from \$14.5 trillion in 2022 to \$15.5 trillion in 2023, as per another report by The Business Research Company. Industrial IoT is being used more and more by engineering service providers to optimize their production processes and conserve energy while managing assets and resources more effectively. The growing cooperation between original equipment manufacturers (OEM) and engineering service providers (ESP) is anticipated to be one of the key factors influencing the growth of the engineering services market. The post-Covid economic recovery is being driven by big infrastructure projects that governments throughout the world are supporting in order to increase their economies' productivity potential. The Infrastructure Investment and Jobs Act and the CHIPS and Science Act of 2022 are expected to inject money into the market, which would likely boost the non-residential segment of the construction engineering market. Thus, the construction market's fastest-growing industry will be civil engineering.

## Public Company Valuations

The CFAW Select Engineering Construction Index was up by 3.4% in the first quarter of 2023, and the 12 months return on the Index increased by 4.4%. Our index for each subsector of Engineering Construction increased in the first quarter of 2023 except for Industrial Business Construction, which decreased by 3.2%. Civil Engineering Services had the highest median revenue and EBITDA multiple with 1.2x and 14.4x, respectively. Highway, Street, and Bridge Construction had median revenue and EBITDA multiple with 0.8x and 9.9x, respectively. Residential Construction had median revenue and EBITDA multiples of 0.9x and 5.2x, while Industrial Business Construction had median revenue and EBITDA multiples of 0.5x and 11.7x, respectively.

## Mergers and Acquisitions

The M&A activity in the industrials sector slowed down in 2022 because of growing economic and geopolitical concerns. In 2023, it is anticipated that there will be a noticeable increase in acquisitions of companies that build and provide maintenance services for highways, bridges, roads, and airports due to the passage of the Infrastructure Investment and Jobs Act (IIJA) in the US. Additionally, the US government has pledged to invest \$485.0 million in green technologies and materials through the Inflation Reduction Act (IRA) by 2023. The majority of bidders in the infrastructure maintenance and remediation market are expected to be strategic acquirers as opposed to financial investors due to the capital-intensive nature of the industry.



*The public engineering construction market increased in the first quarter of 2023...*



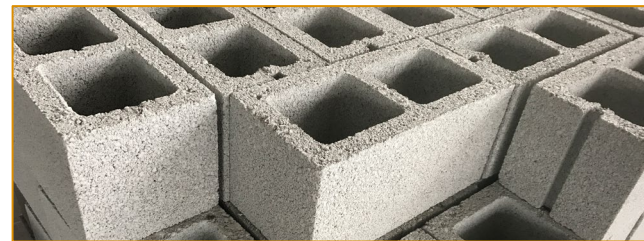
# Industry Trends

## Recycled Construction Materials

As corporations and governments place greater emphasis on sustainability, the construction sector is seeking methods to reduce its negative environmental effects. Recycling building waste may drastically decrease the industry's adverse environmental impact. Also, the expense of disposal and transportation is decreased by recycling and reusing construction materials. Due to the growing significance of green building and environmental conservation, construction businesses that recycle materials have a competitive advantage. Construction and demolition (C&D) materials often consist of heavy materials such as concrete, wood, asphalt, gypsum, metals, glass, brick, and steel. The Environmental Protection Agency (EPA) encourages a Sustainable Materials Management (SMM) method that recognizes some C&D materials as commodities that may be used in new building projects, hence reducing the need to mine and process virgin materials.

## Building Information Modeling

Building Information Modelling (BIM) is a model-based, intelligent process for planning, designing, constructing, and managing buildings and infrastructure. It refers to the collaborative process utilizing a single cohesive system of 3D models rather than separate design drawings. It includes not only the model components but also the enormous amounts of information that make up the project, as well as the process of sharing that information with the project's other stakeholders. Unlike prior workflows, BIM workflows provide a dynamic and synchronized approach to project management. BMI



enables engineers to spend more time analyzing what-if situations and less time producing construction documentation. BMI offers architects and builders more control over determining the precise quantities of building materials required. It also allows property owners to compare assets in their portfolio and establish maintenance cycles by analyzing the BIM data across a portfolio of properties.

## Strategic Era of Procurement

In the construction industry, procurement often accounts for 40 to 70 percent of all expenditures. In order to navigate uncertainty, construction businesses have recently increased the emphasis on procurement. Although the duration and effects of the rising inflation rates are unknown, they are certain to put further stress on the profitability of construction services. In addition to being crucial for increasing profitability in uncertain and expensive times, procurement is proving to be even more important for decarbonizing the construction industry. As corporations attempt to standardize models and components, enhance and optimize designs, and push for lower-cost materials, the role of value engineering in construction is becoming increasingly important. Companies are anticipating future material shortages and assuring long-term access to supply through strategic decision making and demand forecasting that extends far beyond present project pipelines.

# Significant News

## Flatiron Lands 4 California Projects Worth \$704M

*Construction Dive, March 20, 2023*

“Caltrans, the state’s DOT, tapped a Flatiron-led joint venture with Teichert to deliver a \$204.8 million project along the I-80 and U.S. 50 corridor in Yolo County to enhance safety and reduce traffic. A weekend escape route for Bay Area residents looking for recreation in Lake Tahoe and the Sierra Nevada Mountains, it’s the only freeway connection between San Francisco and Sacramento, and links to the I-505 connector for travelers headed north on I-5.”

[Read More >](#)

## Volvo Ce Delivers North America’s First Machine Made using Fossil-Free Steel

*Volvo Construction Equipment, March 15, 2023*

“Volvo CE celebrated another important milestone in its ambition to drive transformation in our industry towards global climate goals with the handover today to its second customer of a machine made using fossil-free steel. The A30G articulated hauler was handed over by President of Volvo CE, Melker Jernberg, to Scott Parson, President Americas Materials at CRH – a long-standing customer of Volvo CE – at Volvo Group’s CONEXPO press conference.”

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## Biden-Harris Administration Announces \$6 Billion to Drastically Reduce Industrial Emissions and Create Healthier Communities

*US Department of Energy, March 08, 2023*

“The Biden-Harris Administration, through the U.S. Department of Energy (DOE), today announced approximately \$6 billion in funding to accelerate decarbonization projects in energy-intensive industries and provide American manufacturers a competitive advantage in the emerging global clean energy economy. Funded by President Biden’s Bipartisan Infrastructure Law and Inflation Reduction Act, the Industrial Demonstrations Program will focus on the highest emitting industries where decarbonization technologies will have the greatest impact, such as iron and steel, aluminum, cement and concrete, and other energy-intensive industrial processes.”

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# M&A Metrics

## Engineering and Construction Industry

The number of transactions in the Engineering & Construction industry increased in the first quarter of 2023. The number of transactions increased from 352 in Q4 2022 to 355 in Q1 2023. The number of sub-\$50 million transactions increased from 332 in Q4 2022 to 339 in Q1 2023. However, the number of transactions above \$100 million decreased from 12 in Q4 2022 to 10 in Q1 2023. The total number of M&A transactions year on year decreased by 25.7% from 478 in Q1 2022 to 355 in Q1 2023.



M&A Deal Summary Table | Count by Deal Size over Time

Transaction Value	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Not Disclosed	156	269	345	348	365	387	435	406	360	300	276	306
Under \$10 MM	22	38	45	47	42	45	62	31	46	30	40	27
\$10 - \$25 MM	4	5	14	9	17	13	18	13	11	10	14	2
\$25 - \$50 MM	4	3	10	13	10	14	10	3	4	4	2	4
\$50 - \$100 MM	1	5	14	4	6	5	6	6	5	8	8	6
\$100 - \$500 MM	7	9	9	10	11	13	21	10	7	9	9	4
\$500 MM+	2	3	13	6	8	9	9	9	8	10	3	6
<b>Total Transactions</b>	<b>196</b>	<b>332</b>	<b>450</b>	<b>437</b>	<b>459</b>	<b>486</b>	<b>561</b>	<b>478</b>	<b>441</b>	<b>371</b>	<b>352</b>	<b>355</b>

Source: FactSet

# Industry Metrics

## Industry Financial Data and Ratios

### NAICs 541330 - Engineering Services

Financial Metric	Last12 Mo	2022	2021
Current Ratio	4.35	4.51	5.18
Gross Profit Margin	65.85%	65.70%	68.84%
Net Profit Margin	13.27%	12.30%	13.70%
Accounts Receivable Days	77.54	78.09	69.54
Accounts Payable Days	51.73	54.35	36
Debt-to-Equity Ratio	1.39	1.43	1.37
Return on Equity	52.40%	52.99%	59.12%
Sales per Employee	\$192,400	\$185,396	\$181,775
Profit per Employee	\$27,281	\$29,759	\$30,738
Sales Growth	18.16%	17.93%	13.01%
Profit Growth	10.30%	9.40%	19.76%

### NAICs 236210 - Industrial Building Construction

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.96	2.86	2.94
Gross Profit Margin	20.31%	20.10%	19.72%
Net Profit Margin	6.60%	7.50%	6.32%
Accounts Receivable Days	75.69	78.46	68.82
Accounts Payable Days	53.42	55.01	46.76
Debt-to-Equity Ratio	2.17	2.18	2.16
Return on Equity	45.87%	45.65%	52.38%
Sales per Employee	\$699,374	\$699,374	\$510,357
Profit per Employee	\$37,252	\$37,252	\$30,017
Sales Growth	27.38%	25.88%	13.81%
Profit Growth	-1.00%	10.28%	23.66%

### NAICs 2373 - Highway, Street, and Bridge Construction

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.02	2.9	3.51
Gross Profit Margin	20.57%	20.34%	21.45%
Net Profit Margin	5.31%	4.80%	7.65%
Accounts Receivable Days	70.06	68.5	63.45
Accounts Payable Days	44.8	43.08	40.33
Debt-to-Equity Ratio	1.36	1.35	1.26
Return on Equity	24.88%	23.34%	28.93%
Sales per Employee	\$363,502	\$379,820	\$309,882
Profit per Employee	\$21,104	\$24,612	\$27,395
Sales Growth	17.51%	15.41%	5.72%
Profit Growth	11.47%	12.02%	17.14%

### NAICs 2371 - Utility System Construction

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3	2.85	3.08
Gross Profit Margin	37.14%	36.12%	37.22%
Net Profit Margin	8.48%	7.92%	8.38%
Accounts Receivable Days	65.9	65.94	67.8
Accounts Payable Days	38.97	38.91	37.86
Debt-to-Equity Ratio	1.81	1.84	1.63
Return on Equity	38.83%	36.42%	39.92%
Sales per Employee	\$477,022	\$477,022	\$238,031
Profit per Employee	\$34,498	\$34,498	\$19,762
Sales Growth	23.78%	23.33%	14.58%
Profit Growth	13.63%	11.08%	20.28%

Source: Profit Cents



# Industry Metrics

## Industry Financial Data and Ratios

NAICs 2361 - Residential Building Construction

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.34	3.31	3.31
Gross Profit Margin	32.12%	31.81%	31.23%
Net Profit Margin	10.68%	10.60%	8.73%
Accounts Receivable Days	20.67	20.57	17.82
Accounts Payable Days	21.06	22.52	18.57
Debt-to-Equity Ratio	4.21	4.21	4.74
Return on Equity	56.75%	56.03%	55.46%
Sales per Employee	\$978,740	\$747,843	\$552,696
Profit per Employee	\$85,263	\$59,508	\$41,210
Sales Growth	16.55%	16.76%	16.35%
Profit Growth	31.13%	31.06%	33.52%

Source: Profit Cents



# Transaction Highlights



# Notable Transactions



Wuxi Huaguang  
Environment &  
Energy Group  
Co Ltd

In March 2023, **Wuxi Huaguang Environment & Energy Group Co Ltd** agreed to acquire a 52% majority stake in **Tongxiang Puyuan GCL Thermal Power Co Ltd** from Usual Win Ltd and GCL Smart Energy (Suzhou) Co Ltd for RMB178 million (US\$25.9 million) in cash. The transaction would be funded through existing cash reserves of Wuxi Huaguang Environment & Energy Group Co Ltd. Founded in 2006, Tongxiang Puyuan GCL Thermal Power Co Ltd is located in China and engages in construction and operation of cogeneration power stations.



Tongxiang  
Puyuan GCL  
Thermal Power  
Co Ltd



**intrakat**

In March 2023, **Intrakat SA of Technical & Energy Projects** acquired **Aktor SA** from Ellaktor SA for EUR214 million (US\$233 million) in cash and assumed liabilities. The acquisition shall complement Intrakat SA of Technical & Energy Projects' service offerings. Aktor SA is located in Athens, Greece and engages in construction of infrastructure, building and industrial projects.



**AKTOR**  
member of ELLAKTOR Group



CASTELLUM

In March 2023, **Castellum Inc** acquired **Global Technology & Management Resources Inc** for US\$6.3 million in cash and stock. Under the terms of agreement, The transaction was funded through a combination of Castellum Inc's available cash and proceeds from promissory notes. The acquisition allows Castellum Inc to strengthen its presence at Pax River and business capabilities. Global Technology & Management Resources Inc is located in Hollywood, Maryland, United States and provides engineering and design services.




**GTM**



MACQUARIE

In March 2023, **Macquarie Group Ltd** agreed to acquire **BSCPL Aurang Tollway Ltd** from BSCPL Infrastructure Ltd for INR16,000 million (US\$193.5 million). BSCPL Aurang Tollway Ltd is located in Hyderabad, Telangana, India and constructs civil engineering projects.



**BSCPL**  
Building better lives

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# Select M&A Transactions

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Revenue	EBITDA
03/31/23	ESCO Pacific Pty Ltd.	OX2 AB	96	NA	NA
03/25/23	Tongxiang Puyuan GCL Thermal Power Co. Ltd.	Wuxi Huaguang Environment & Energy Group Co., Ltd.	50	NA	NA
03/24/23	Aktor SA	Intrakat SA of Technical & Energy Projects	233	NA	NA
03/23/23	Global Technology & Management Resources, Inc.	Castellum, Inc.	6	504	NA
03/21/23	Nanjing Hosjoy Engineering Technology Co. Ltd.	Huitongda Network Co., Ltd.	73	NA	NA
03/19/23	Dignity Buildcon Pvt Ltd.	Experion Capital Pvt Ltd.	55	NA	NA
03/13/23	Energon Esco SpA	Equiter Infrastructure II	37	NA	NA
03/01/23	BSCPL Aurang Tollway Ltd.	Macquarie Group Ltd.	194	NA	NA
02/22/23	DT Infrastructure Pty Ltd.	Gamuda Bhd.	146	NA	NA
02/17/23	Sichuan Rongcheng Second Ring Expressway Development Co Ltd.	Sichuan Expressway Co. Ltd.	862	NA	NA
02/16/23	ALS Industrial Holdings Pty. Ltd.	SRG Global Ltd.	86	NA	NA
01/31/23	Atlas Technical Consultants, Inc.	GI Manager LP	985	605	14
01/19/23	Flooring Liquidators, Inc.	Live Ventures, Inc.	84	NA	NA
01/18/23	Devico AS	Imdex Ltd.	234	NA	NA
01/17/23	S&P Global, Inc. /Global Engineering Solutions Business/	Kohlberg Kravis Roberts & Co. LP	975	NA	NA
01/11/23	Silverio Developers Pvt Ltd.	Pune Kharadi Tower Pvt Ltd.	40	NA	NA
01/10/23	Caverion Oyj	Triton Investment Management Ltd.	1,538	2,472	10

(\$ in millions) Source: Factset





# Public Companies

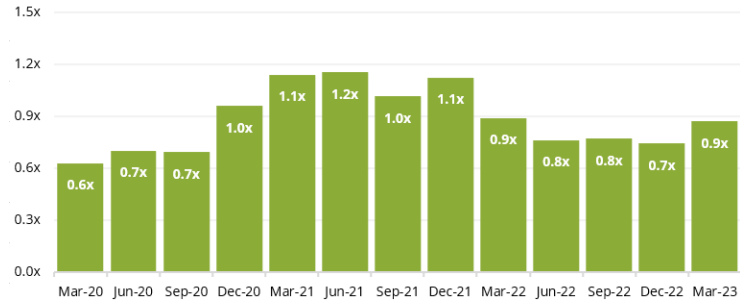
# Industry Performance

## CFAW Select Engineering Construction Index

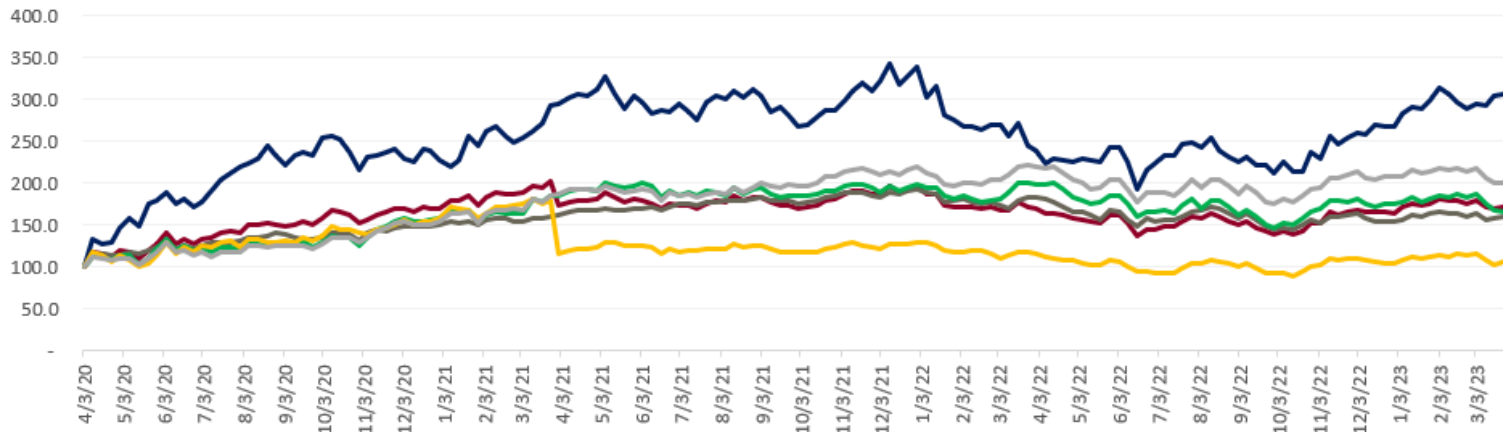
CFAW Select Engineering Construction Index | Median EBITDA Multiples



CFAW Select Engineering Construction Index | Median Revenue Multiples



- Select CFAW Select Engineering Construction Index
- CFAW Selected Residential Construction Index
- CFAW Selected Highway, Street, and Bridge Construction Index
- S&P 500
- CFAW Selected Industrial Business Construction Index
- CFAW Selected Civil Engineering Services Index



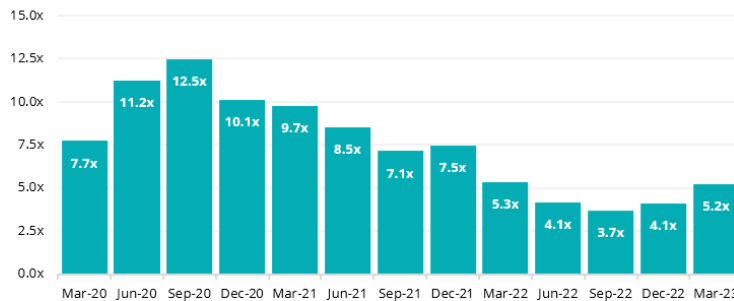
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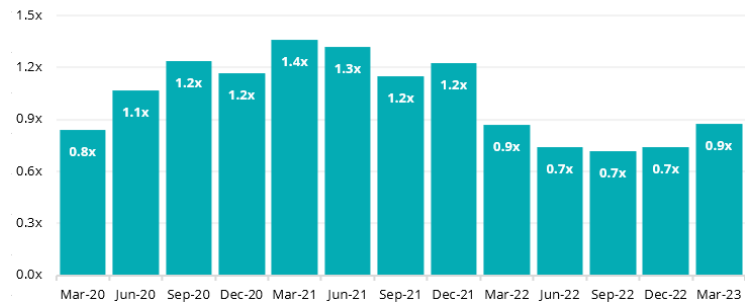
# Public Comparables

## Residential Construction

Residential Construction | Median EBITDA Multiples



Residential Construction | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
D.R. Horton, Inc.	\$97.69	341	\$33,319	\$36,665	\$33,658	\$6,883	1.1x	5.3x
Lennar Corporation Class A	\$105.11	254	\$26,674	\$31,678	\$33,575	\$6,162	0.9x	5.1x
PulteGroup, Inc.	\$58.28	226	\$13,148	\$14,160	\$16,229	\$3,513	0.9x	4.0x
Green Brick Partners, Inc.	\$35.06	46	\$1,614	\$1,990	\$1,758	\$361	1.1x	5.5x
Kaufman & Broad SA	\$29.77	21	\$629	\$565	\$1,691	NA	0.3x	NM
Taylor Morrison Home Corporation	\$38.26	108	\$4,144	\$6,017	\$8,225	\$1,483	0.7x	4.1x
Meritage Homes Corporation	\$116.76	37	\$4,270	\$4,582	\$6,292	\$1,305	0.7x	3.5x
Toll Brothers, Inc.	\$60.03	111	\$6,647	\$9,227	\$10,265	\$1,657	0.9x	5.6x
Glenveagh Properties Plc	\$1.09	592	\$643	\$708	\$678	\$75	1.0x	9.5x
Grandy House Corporation	\$4.13	31	\$127	\$341	\$419	\$30	0.8x	11.3x
MJ Gleeson PLC	\$5.34	58	\$312	\$300	\$457	\$64	0.7x	4.7x
<b>Mean</b>				\$9,658	\$10,295	\$2,153	<b>0.8x</b>	<b>5.9x</b>
<b>Median</b>				\$4,582	\$6,292	\$1,394	<b>0.9x</b>	<b>5.2x</b>

Source: FactSet

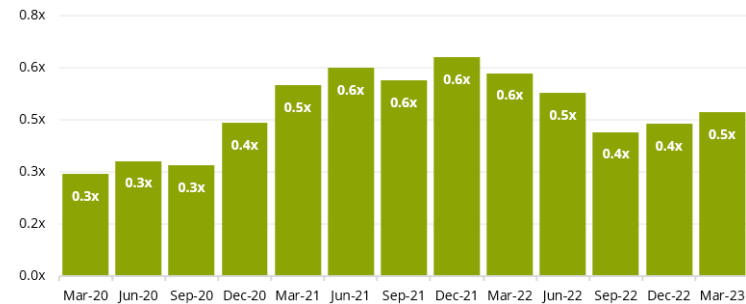
# Public Comparables

## Industrial Business Construction

Industrial Business Construction | Median EBITDA Multiples



Industrial Business Construction | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Blueone Card Inc	\$8.75	10	\$90	\$90	\$0	(\$1)	NM	NM
INNOVATE Corp	\$2.97	79	\$234	\$1,030	\$1,637	\$56	0.6x	18.3x
Skanska AB Class B	\$15.29	400	\$6,120	\$6,229	\$16,124	\$1,021	0.4x	6.1x
Mostostal Warszawa S.A.	\$1.43	20	\$29	\$48	\$370	\$15	0.1x	3.1x
Jacobs Solutions Inc.	\$117.51	127	\$14,890	\$18,600	\$15,309	\$1,406	1.2x	13.2x
KBR, Inc.	\$55.05	137	\$7,518	\$9,122	\$6,564	\$545	1.4x	16.7x
Fluor Corporation	\$30.91	142	\$4,399	\$3,286	\$13,744	\$210	0.2x	15.6x
Granite Construction Incorporated	\$41.08	44	\$1,797	\$1,835	\$3,301	\$179	0.6x	10.2x
Grupo Empresarial San Jose, S.A.	\$4.43	65	\$288	\$113	\$1,132	\$47	0.1x	2.4x
<b>Mean</b>				\$4,484	\$6,465	\$387	<b>0.6x</b>	<b>10.7x</b>
<b>Median</b>				\$1,835	\$3,301	\$179	<b>0.5x</b>	<b>11.7x</b>

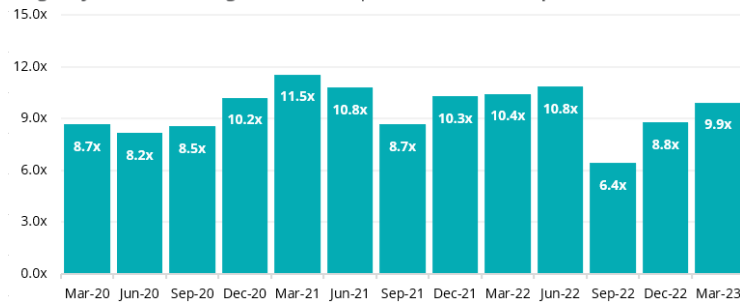
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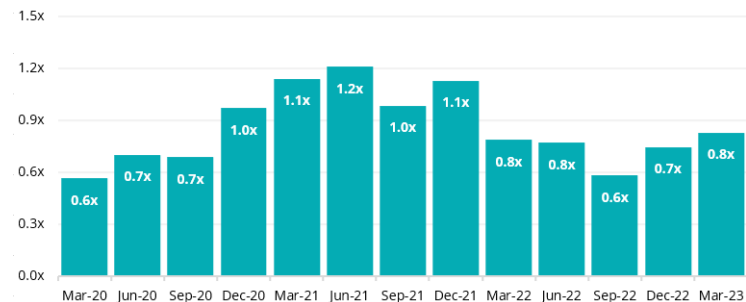
# Public Comparables

## Highway, Street, and Bridge Construction

Highway, Street, and Bridge Construction | Median EBITDA Multiples



Highway, Street, and Bridge Construction | Median Revenue Multiples



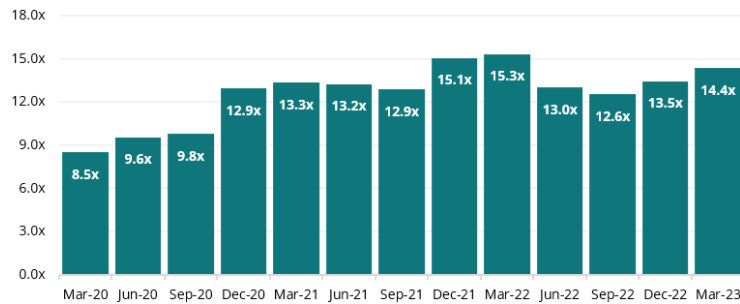
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Vulcan Materials Company	\$171.56	133	\$22,813	\$27,304	\$7,315	\$1,690	3.7x	16.2x
MasTec, Inc.	\$94.44	79	\$7,441	\$10,589	\$9,778	\$714	1.1x	14.8x
Smith-Midland Corporation	\$18.76	5	\$99	\$98	\$50	\$4	2.0x	26.3x
Martin Marietta Materials, Inc.	\$355.06	62	\$22,050	\$26,617	\$6,161	\$1,722	4.3x	15.5x
United States Lime & Minerals, Inc.	\$152.69	6	\$868	\$740	\$236	\$77	3.1x	9.6x
Construction Partners, Inc. Class A	\$26.94	41	\$1,114	\$1,820	\$1,358	\$92	1.3x	19.9x
Balfour Beatty plc	\$4.60	569	\$2,620	\$2,148	\$9,397	\$344	0.2x	6.3x
Skanska AB Class B	\$15.29	400	\$6,120	\$6,229	\$16,124	\$1,021	0.4x	6.1x
Bouygues SA	\$33.78	374	\$12,649	\$25,237	\$46,581	\$4,838	0.5x	5.2x
Shanghai Pudong Construction Co., Ltd. Class A	\$1.02	970	\$990	\$12	\$2,084	\$57	0.0x	0.2x
Astec Industries, Inc.	\$41.25	23	\$934	\$963	\$1,275	(\$330)	0.8x	NM
Granite Construction Incorporated	\$41.08	44	\$1,797	\$1,835	\$3,301	\$179	0.6x	10.2x
Sterling Infrastructure, Inc.	\$37.88	31	\$1,159	\$1,468	\$1,769	\$198	0.8x	7.4x
<b>Mean</b>				\$8,082	\$8,110	\$816	<b>1.5x</b>	<b>11.5x</b>
<b>Median</b>				\$1,835	\$3,301	\$198	<b>0.8x</b>	<b>9.9x</b>

Source: FactSet

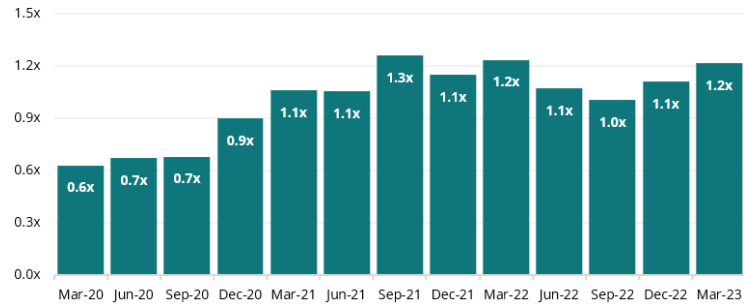
# Public Comparables

## Civil Engineering Services

Civil Engineering Services | Median EBITDA Multiples



Civil Engineering Services | Median Revenue Multiples



Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Stantec Inc	\$58.41	111	\$6,482	\$7,779	\$4,361	\$542	1.8x	14.4x
Arcadis NV	\$41.02	90	\$3,710	\$4,749	\$4,234	\$385	1.1x	12.3x
Boustead Singapore Limited	\$0.62	500	\$310	\$214	\$393	\$29	0.5x	7.5x
Ackermans & van Haaren NV	\$165.14	33	\$5,532	\$14,669	\$4,626	\$760	3.2x	19.3x
AECOM	\$84.32	139	\$11,716	\$13,653	\$13,264	\$884	1.0x	15.4x
Jacobs Solutions Inc.	\$117.51	127	\$14,890	\$18,600	\$15,309	\$1,406	1.2x	13.2x
Fluor Corporation	\$30.91	142	\$4,399	\$3,286	\$13,744	\$210	0.2x	15.6x
KBR, Inc.	\$55.05	137	\$7,518	\$9,122	\$6,564	\$545	1.4x	16.7x
Atlas Technical Consultants, Inc. Class A	\$12.19	21	\$250	\$946	\$605	\$73	1.6x	13.0x
Tetra Tech, Inc.	\$146.91	53	\$7,819	\$8,116	\$3,540	\$382	2.3x	21.2x
<b>Mean</b>				\$7,380	\$6,437	\$490	<b>1.3x</b>	<b>14.0x</b>
<b>Median</b>				\$7,779	\$4,493	\$464	<b>1.2x</b>	<b>14.4x</b>

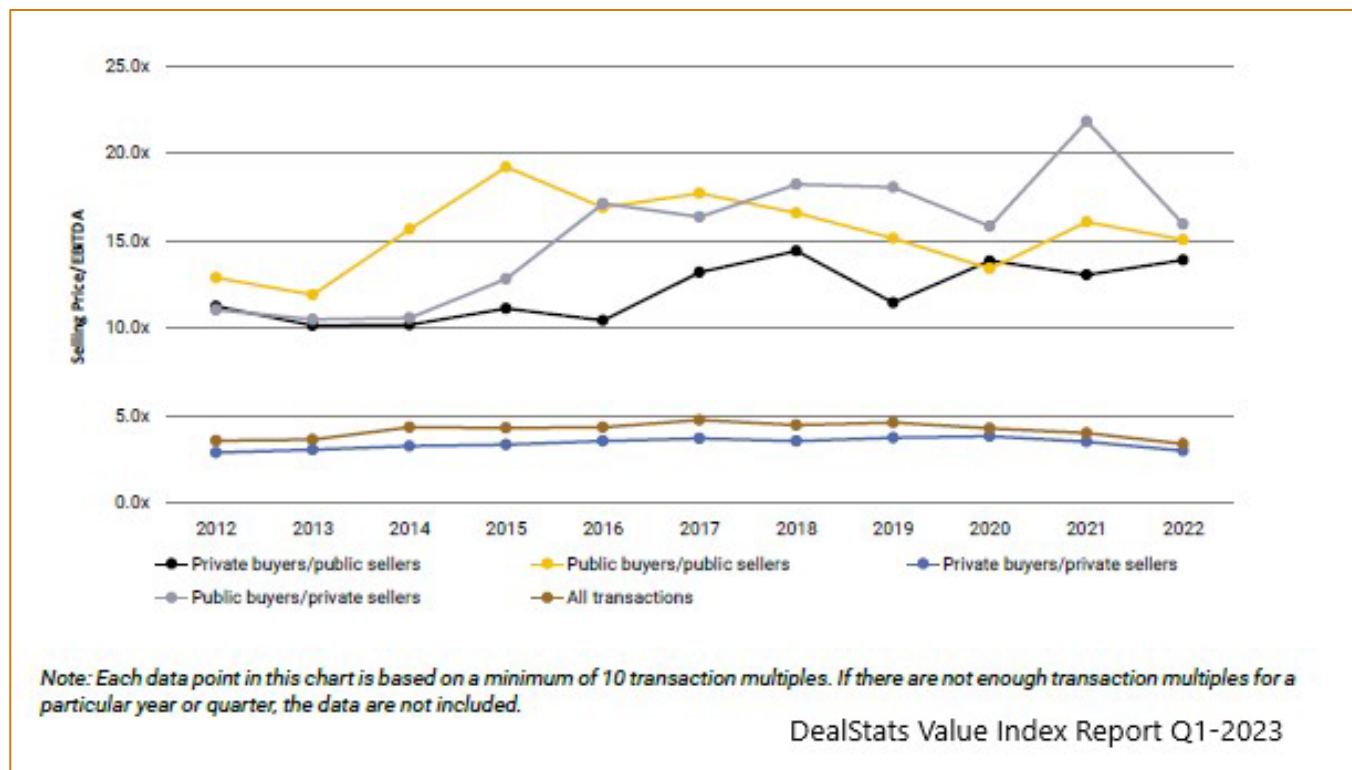
Source: FactSet

# Public Vs. Private Comparables

## Valuation Premiums Can Be Considerable

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a “size” premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.







# CFA Overview

# About CFA

## Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Engineering and Construction Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.



### Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.



### Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.



### Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.



### Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals.



### Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.



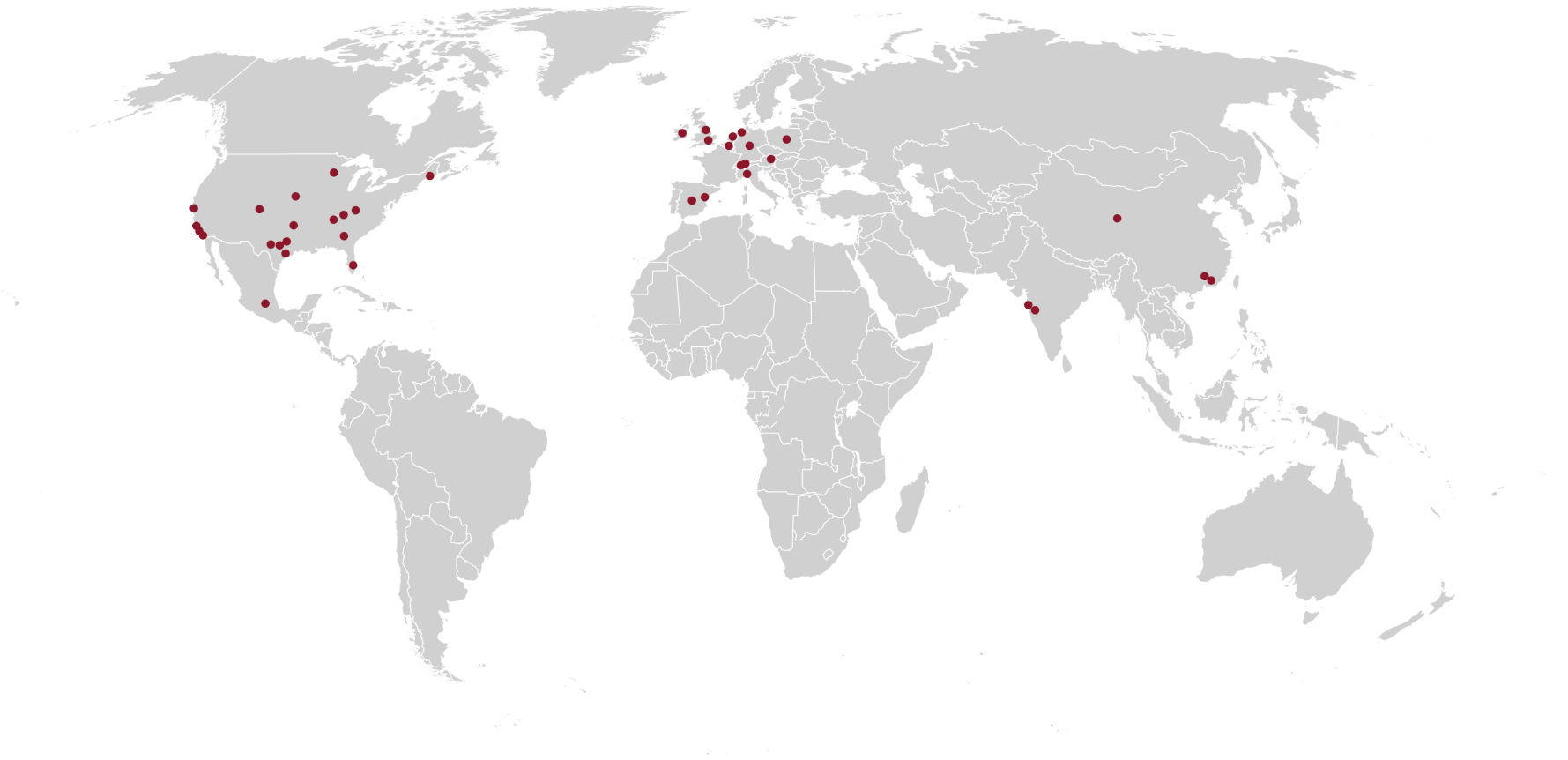
### Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

# Local Service, Global Reach

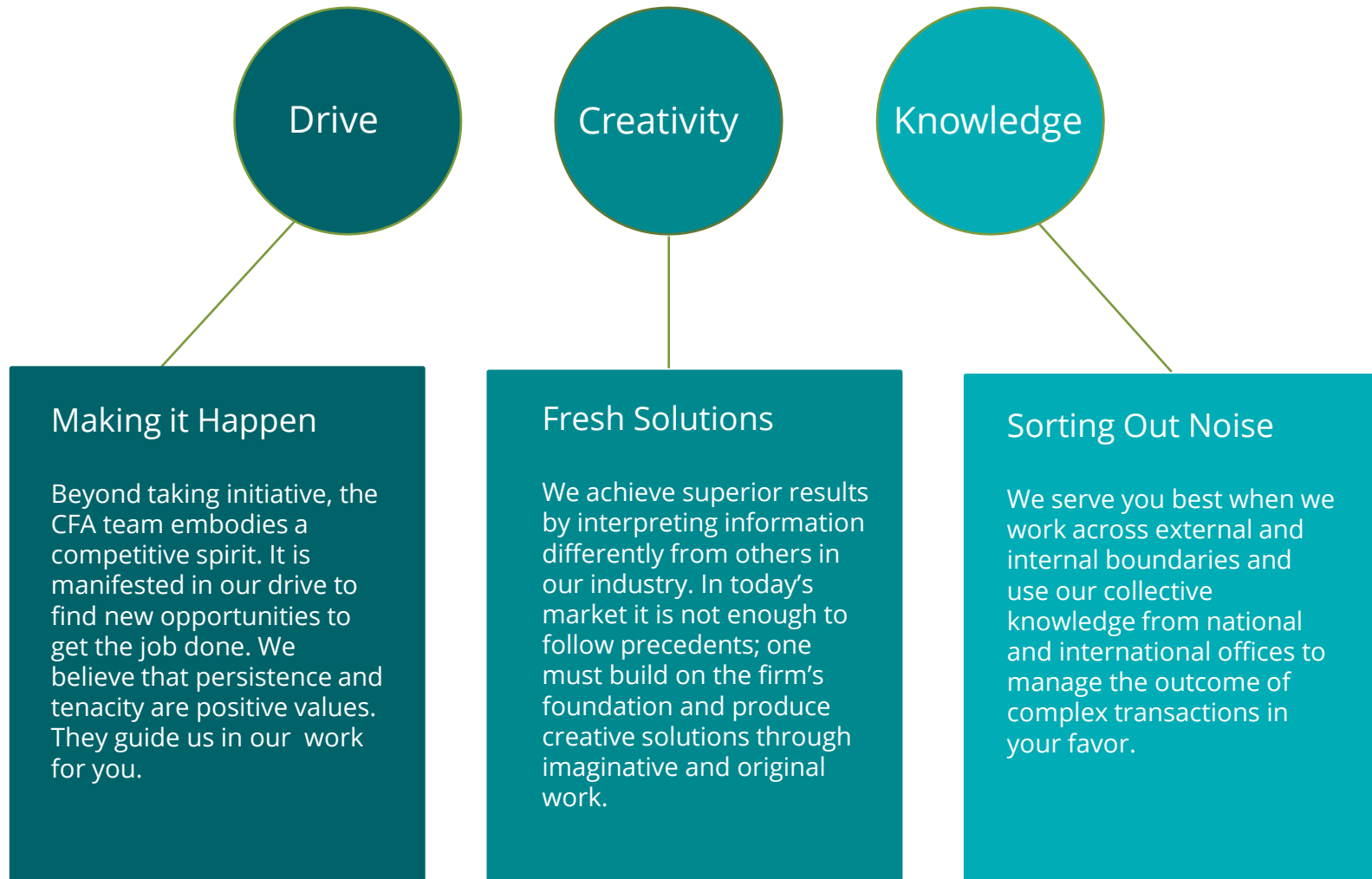
## Where We Are

With offices across the USA and in Austria, Belgium, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.





# Delivering Results



Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions

# Worldwide Transactions

The following table summarizes the transactions featured in the infographic, organized by row and column. Each entry includes the company name, the nature of the transaction, and the role of Corporate Finance Associates (CFA).

Transaction	Role of CFA
<b>LAKE212</b> (Be Smart) has been acquired by <b>TRANSPLACE</b> (A Florida Company of GREENBRIAR EQUITY GROUP LLC).	Underwritten initiator and acted as exclusive financial advisor to the seller in the transaction.
<b>Harrison Pet Products Inc.</b> has been acquired by <b>bosch Tiernahrung GmbH &amp; Co. KG</b> .	Underwritten initiator and acted as financial advisor in the transaction.
<b>CHARTER BUS LINES of British Columbia</b> has merged with <b>TRAXX COACHLINES</b> .	Underwritten initiator and acted as financial advisor in the transaction.
<b>EWEN ENGINEERING</b> (United Kingdom) has been acquired by <b>VELJAN</b> (India).	CFA London initiated and acted as advisor to the seller in the transaction.
<b>neratec</b> (Austria & Luxembourg) has been acquired by <b>WESTERMO</b> (a division of <b>Beijer RECHTEK</b> (Sweden)).	CFA Zurich initiated and acted as advisor to the seller in the transaction.
<b>ONING ASSOCIATION</b> has been acquired by <b>INDEFF</b> .	Underwritten initiator and acted as advisor to the seller in the transaction.
<b>FUN COMPANY Luis</b> has been acquired by <b>BERKSHIRE HATHAWAY</b> .	Underwritten acted as an advisor to the seller in the transaction.
<b>CERVA</b> (Czech Republic) has acquired <b>GROUP TB</b> (Spain).	CFA Dublin initiated and acted as advisor to the seller in the transaction.
<b>South Coast Sales</b> (division of <b>SASTA</b> (Ireland)) has been acquired by <b>BASTA</b> (Ireland).	CFA Dublin initiated and acted as advisor to the seller in the transaction.
<b>CyberMetrix</b> has been acquired by <b>SGS</b> (SGSN).	Underwritten initiator and acted as financial advisor in the transaction.
<b>TRIO SUPPLY COMPANY</b> has been acquired by <b>Office DEPOT</b> .	Underwritten initiator and acted as exclusive investment banker to the seller.
<b>creamedix BIOLAB</b> (Germany) has been acquired by <b>WESTLAKE PARTNERS</b> (China).	CFA Zurich initiated and acted as advisor to the seller in the transaction.
<b>CORAL SPRINGS ANIMAL HOSPITAL</b> has been acquired by <b>encore VET GROUP</b> .	Underwritten initiator and acted as exclusive investment banker to the seller.
<b>FAICHI</b> (San Jose, California) has been acquired by <b>SAKSOFT</b> (East China Normal University, Puzi, India and Jersey City, New Jersey).	Underwritten initiator and acted as exclusive investment banker to the seller in the transaction.
<b>Grupo Dgari</b> has been acquired by <b>Dr.Oetker</b> .	Underwritten initiator and acted as exclusive financial advisor to the shareholders of Grupo Dgari in the transaction.
<b>tyco</b> has been acquired by <b>PEMEX</b> .	A member of the Financial Services Industry Practice Group acted as the exclusive advisor to Earth Tech Mexico S.A. in the transaction.
<b>Restaurants Sudamerica, L.C.</b> (exclusive operator of Burger King in Argentina and Chile) has been acquired by <b>Alsea</b> .	Exclusive financial advisor to Alsea in connection with the acquisition of Restaurants Sudamerica, L.C., the exclusive operator of the Burger King brand in Argentina and Chile, from Quad C Management, L.L.C. (Quad C), a limited liability company.
<b>HeadFirst</b> has acquired <b>STERIKSEN</b> .	Equity Backed By <b>KARTESIA</b> (Egyp Advisor <b>HORRUS CLEMENT</b> (United Kingdom/Japan)).
<b>MEDI PRODUCTIONS</b> (France) has been acquired by <b>Carus</b> (United States).	Underwritten initiator and acted as exclusive advisor to the seller in the transaction.
<b>MINT ARCHITECTURE</b> (Switzerland) has been acquired by <b>APP</b> (architekten ingenieure (Austria)).	CFA Zurich initiated and acted as advisor to the seller in the transaction.
<b>AMT APPLIED MEDICAL TECHNOLOGY</b> (United Kingdom) has been acquired by <b>CANE</b> (United Kingdom).	Underwritten initiator and acted as advisor to the seller in the transaction.
<b>CERQUISA</b> (Spain) has been acquired by <b>UPL</b> (United Phosphorus Limited (United Kingdom)).	CFA London initiated and acted as advisor to the seller in the transaction.
<b>SPEAR</b> (United Kingdom) has been acquired by <b>FM LOGISTIC</b> .	Underwritten acted as financial advisor in the transaction.
<b>exult.</b> has been acquired by <b>newgen KnowledgeWorks</b> .	Underwritten initiator and acted as advisor in the transaction.

# Industry Practice Groups

## Engineering and Construction



Engineering and Construction practice group is comprised of accomplished dealmakers with extensive experience in advising both public and private companies in the industry. These dealmakers offer expert service in acquisitions, divestitures, financing, and strategic planning to a wide range of companies operating in multiple subsectors including:

- Highway, Street, and Bridge Construction
- Utility System Construction
- Residential Construction
- Industrial & Commercial Building Construction
- Ready-mix and asphalt plants
- Sand & gravel quarries and operations
- Civil Engineering Service
- Construction Engineering Services
- Geophysical Engineering Services

Whether you want to acquire, merge, sell, or finance, let CFA's industry knowledge, international resources and proven dealmaking skills work for you. We research, identify, qualify, advocate, negotiate and help steer you through the mine fields of due diligence to maximize your value and secure your objective.

Aerospace/Defense/Government  
Agriculture  
Animal Health  
Business Services  
Commercial Real Estate  
Consumer Retail  
Energy  
Engineering/Construction  
Financial Services & FinTech  
Food/Beverage  
Healthcare/Life Sciences  
Industrials  
Metal Fabrication  
Print/Packaging  
Semiconductors  
Technology/Media/Telecom  
Transportation/Logistics/Supply Chain  
Wholesale Distribution



# Recent Industry Transactions

*This announcement appears as a matter of record only*



Slater, Iowa

*has acquired*



A Division Of



*The undersigned initiated and acted as an advisor to the acquirer*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Silver Oak Securities, Inc.  
 Silver Oak Securities, Inc. and Corporate Finance Associates are unrelated entities.

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as financial advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*CFAW Zürich initiated and acted as advisor to the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Since 1956

*This announcement appears as a matter of record only*

MS Consultants, Inc.  
**Employee Stock Ownership Plan**

*has been redeemed by*



*The undersigned initiated and acted as financial advisor to the company*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*

Piece Management, Inc.  
**Employee Stock Ownership Plan**

*The undersigned initiated and acted as financial advisor to the company*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*

Howard Immel, Inc.  
**Employee Stock Ownership Plan**

*The undersigned initiated and acted as financial advisor to the company*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



Columbus Coal & Lime Co.

*has been acquired by*



*The undersigned initiated and acted as the investment banker for the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has received an investment from*



*The undersigned initiated and acted as advisor to Right Pointe Company in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*is the recipient of growth capital from*



*The undersigned initiated and acted as financial advisor in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.

*This announcement appears as a matter of record only*



*has been acquired by*



*The undersigned initiated and acted as the investment banker for the seller in the transaction*

**cfa** | CORPORATE FINANCE ASSOCIATES  
WORLDWIDE  
 Securities transacted through Corporate Finance Securities, Inc.