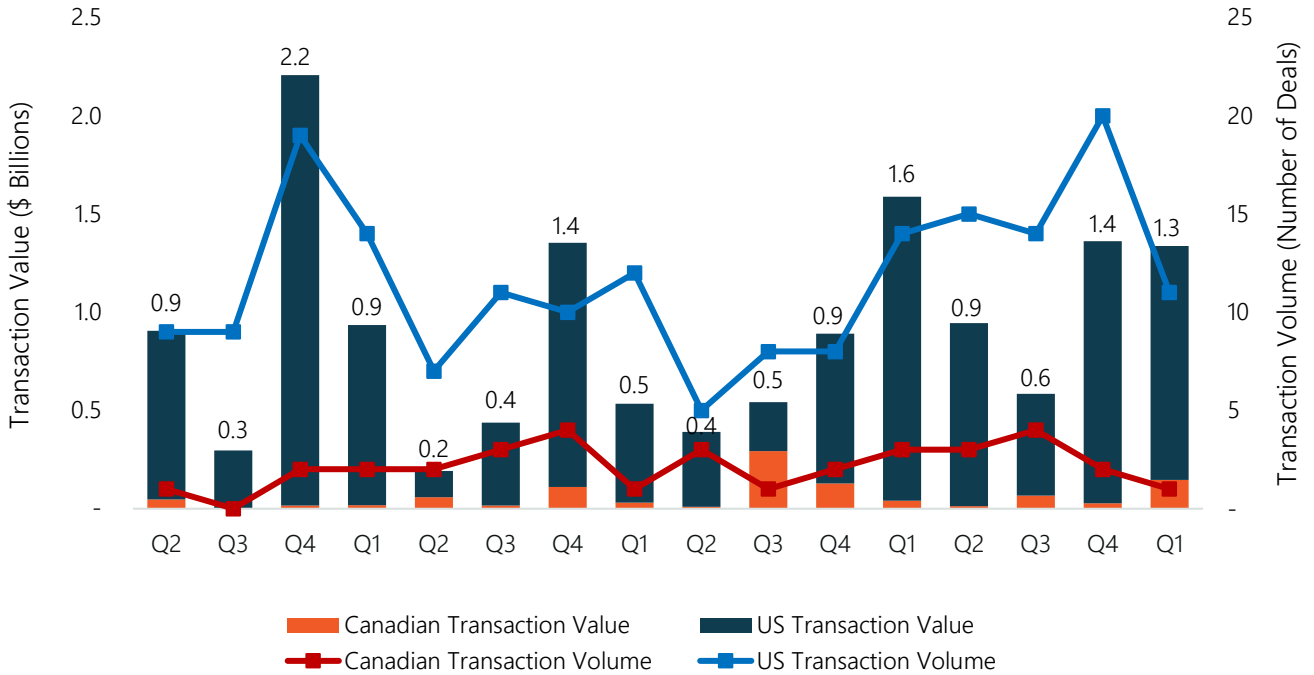


Engineering & Construction

Quarterly Update | Q1 2022



NORTH AMERICAN ENGINEERING & CONSTRUCTION M&A ACTIVITY

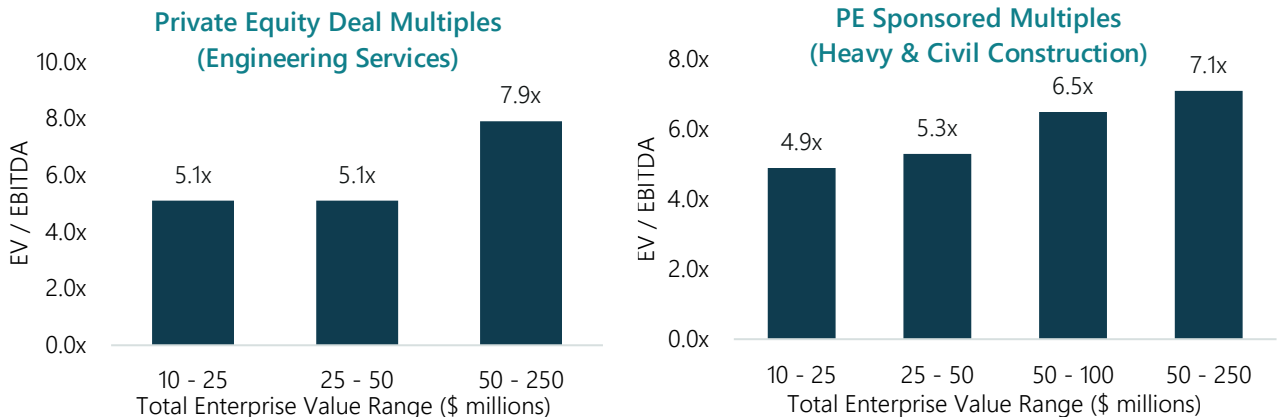


Source: Capital IQ. Data as of March 31, 2022.

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

Q1 Transactions (Canada) 1 (-45% vs. Q4 2021)	Q1 Transaction Value (Canada) \$145 million (+434.5% vs. Q4 2021)	Q1 Transaction Value (US) \$1.2 billion (-10.7% vs. Q4 2021)	Q1 Transactions (US) 11 (-50% vs. Q4 2021)
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Engineering and construction merger and acquisition (M&A) activity in Q1 2022 exceeded \$1.2 billion in disclosed transaction value across 12 deals in Canada and the US. US transactions accounted for 11 of these deals, representing the largest quarterly volume in the past four years. The largest transaction in the quarter was US based, and involved CalPortland Company's acquisition of certain West Coast cement and ready mixed concrete operations of Martin Marietta Materials, Inc. for \$317 million. In the last 12 months, the majority of acquirers have been strategic. Strategic acquisitions continue to drive industry activity, as participants target expansion into new markets and mitigating skilled labour shortages.



Source: GF Data. Data as of April 2022.

Select Recent M&A Transactions

Brookfield
Renewable

Acquired



Closed	Feb. 7, 2022
EV	\$819.1 million
EV/EBITDA	N/A
Location (Vendor)	Toronto, ON

- **Brookfield Renewable Corporation** owns and operates a portfolio of renewable energy power generating facilities primarily in the US, Europe, Colombia, and Brazil.
- **Urban Grid Solar** develops and operates utility-scale solar and renewable energy projects.
- The acquisition will allow Brookfield Renewable Corporation to strengthen its renewable energy service offerings.

ORION

Acquired



Closed	Jan. 1, 2022
EV	\$5.6 million
EV/Revenue	0.5x
Location (Vendor)	Manitowoc, WI

- **Orion Energy Systems, Inc.** researches, designs, develops, manufactures, markets, sells, installs, and implements energy management systems for commercial office and retail, exterior area lighting, and industrial applications in North America.
- **Stay-Lite Lighting Inc.** provides interior/exterior lighting maintenance and electrical services to industrial, commercial, and retail businesses in the United States.
- The acquisition allows Orion Energy Systems to expand their service capabilities to a larger customer base.



Acquired



Closed	Jan. 4, 2022
EV	\$145.4 million
EV/EBITDA	N/A
Location (Vendor)	Henderson, CO

- **MYR Group Construction Canada, Ltd.** constructs electrical transmission, substation, and distribution systems for electric utilities and government agencies.
- **Powerline Plus Ltd.** offers engineering, procurement, and construction services to utility companies.
- The acquisition will allow MYR Group Construction Canada Ltd. to strengthen its market share, while being able to expand its service offerings simultaneously.



Acquired



Closed	Jan. 1, 2022
EV	\$254.3 million
EV/EBITDA	7.8x
Location (Vendor)	Australia

- **Johns Lyng Group Limited** provides integrated building services in Australia and internationally, systems for electric utilities and government agencies.
- **Reconstruction Experts Inc.,** is a general contracting company that provides reconstruction, restoration, renovation, and remodeling services for residential, commercial, and industrial properties in Colorado, California, Texas, Arizona, Nevada, and Wyoming.
- The acquisition will allow Johns Lyng Group Limited to expand their service offerings in existing and new geographic markets.

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

2022 Revenue

\$35.7B

Annual Growth 2017 – 2022

2.1%

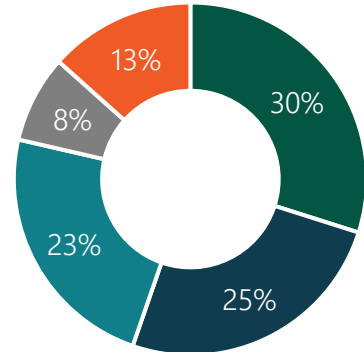
Projected Annual Growth 2022 – 2027

2.1%

Number of Businesses in 2022

28,020

Products and Services Segmentation (2022)



- 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

2021 Revenue

\$53.9B

Annual Growth 2016 – 2021

1.8%

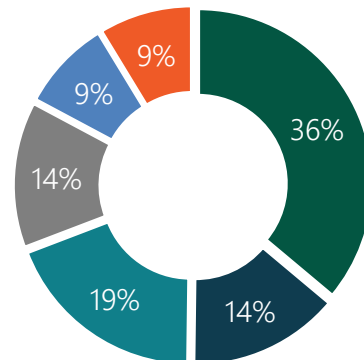
Projected Annual Growth 2021 – 2026

2.5%

Number of Businesses in 2021

2,742

Products and Services Segmentation (2021)



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

Macroeconomic Indicators



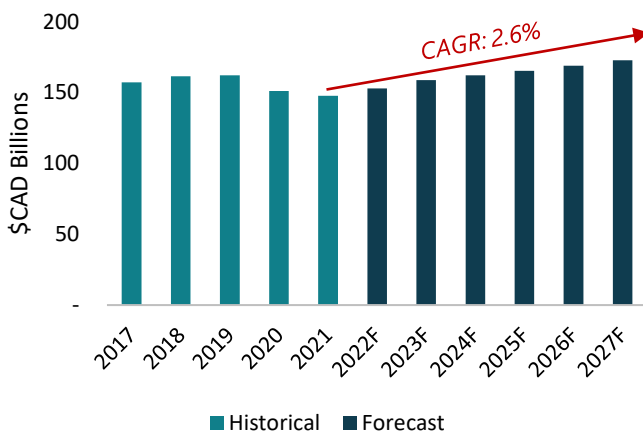
CORPORATE FINANCE INC.

Key external drivers that affect the Engineering & Construction industry in Canada include the value of non-residential construction (expenditures on office buildings, hospitals, factories, power plants, mining shafts, communication lines, farms, railroads, and schools), aggregate private investment (investment in gross fixed capital formation and inventories), government expenditure and investment (the total value of services produced by federal, provincial, and local governments as well as investment in fixed assets), and the interbank overnight lending rate in Canada.

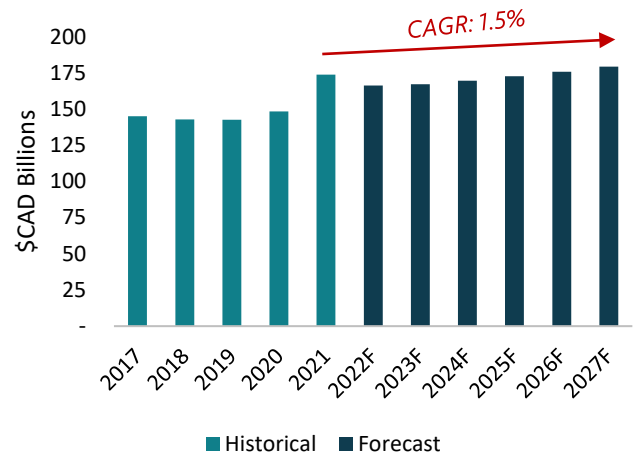
Canada's major cities such as Toronto experienced another quarter of acceleration in house prices. Supply was scarce in the winter months compared to demand, which resulted in multiple bidding wars driving up prices.

However, there may be some easement on housing price acceleration due to a combination of interest rate increases and new policies. In March 2022, the Bank of Canada increased interest rates by 0.25%, followed by another 0.5% increase subsequent to Q1 in April 2022. In addition, the Federal Government is proposing new measures to improve affordability such as a temporary ban for purchasing homes on individuals and companies who are not Canadian residents. Lastly, inflation reached a high of 6.7%, putting downward pressure on Canadian's budgets and ability to purchase a home.

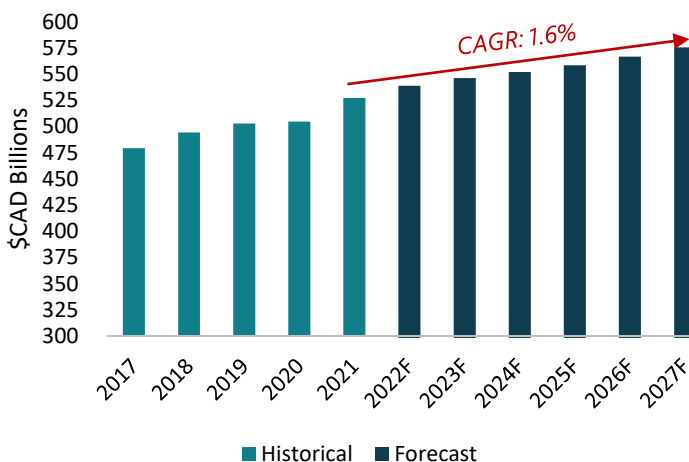
VALUE OF NON-RESIDENTIAL CONSTRUCTION - CANADA



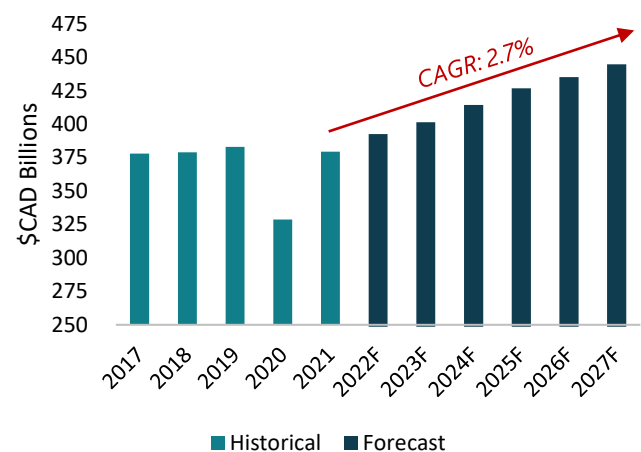
VALUE OF RESIDENTIAL CONSTRUCTION - CANADA



GOVERNMENT EXPENDITURE AND INVESTMENT - CANADA



AGGREGATE PRIVATE INVESTMENT - CANADA

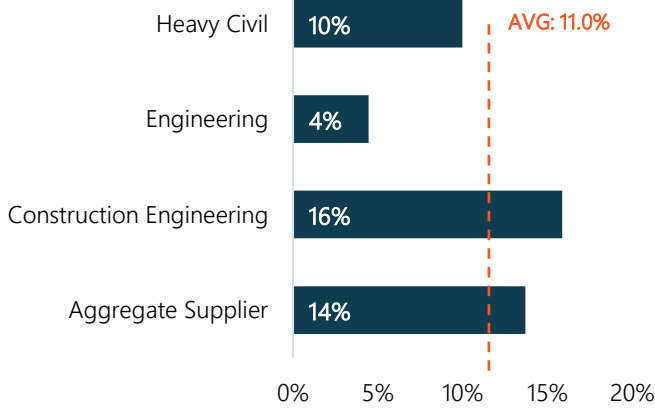


Source: IBISWorld Business Environment Reports.
"F" indicates forecast. "CAGR" indicates compound annual growth rates.

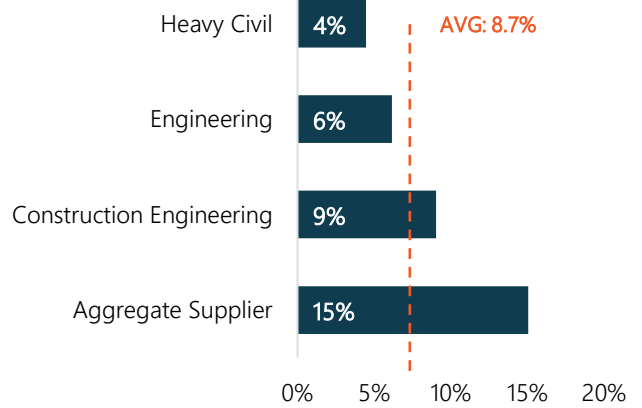
Public Comparable Analysis

Growth, Margins & Multiples

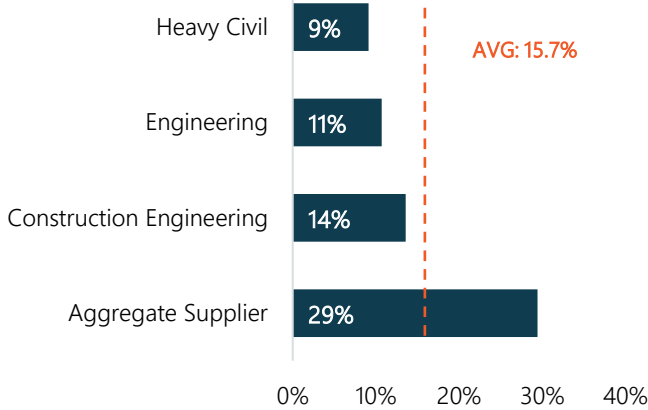
LTM REVENUE GROWTH



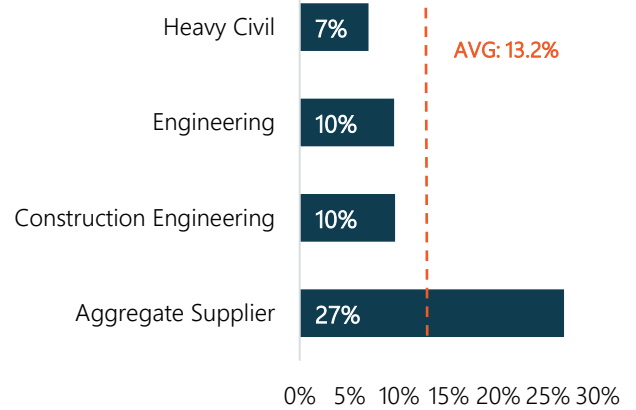
NTM REVENUE GROWTH



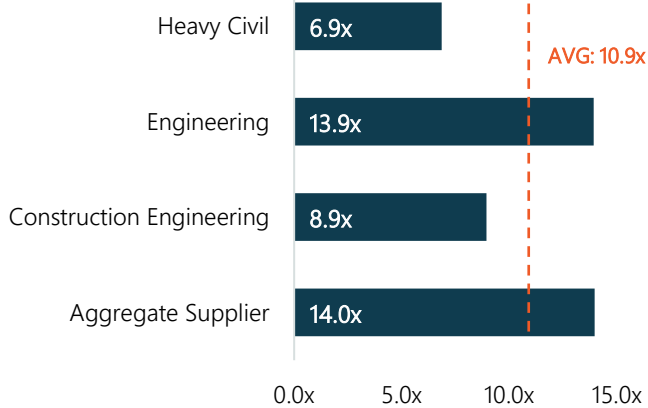
LTM EBITDA MARGIN



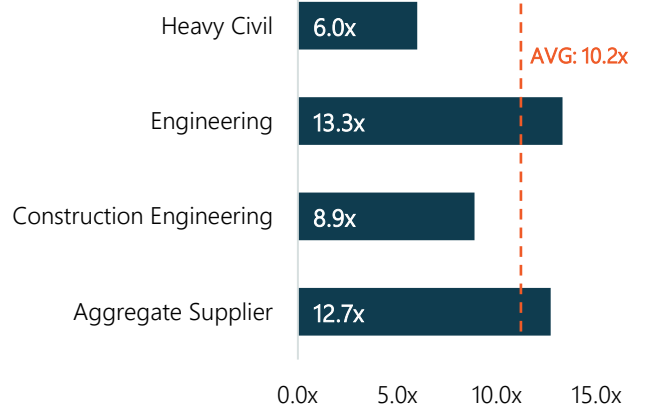
NTM EBITDA MARGIN



LTM EV/EBITDA



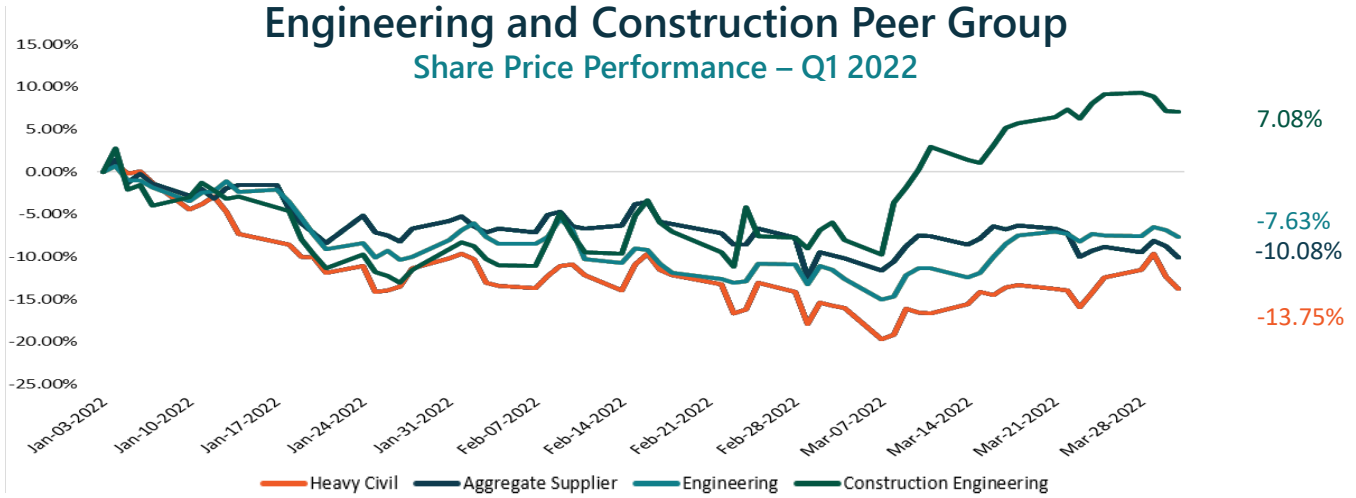
NTM EV/EBITDA



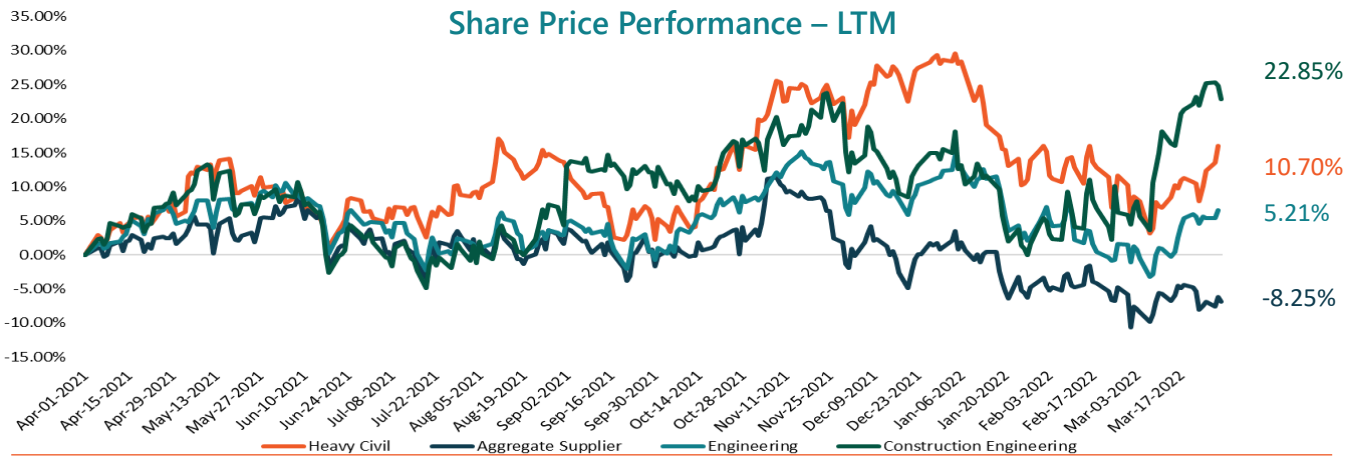
Public Comparable Analysis

Performance Analysis

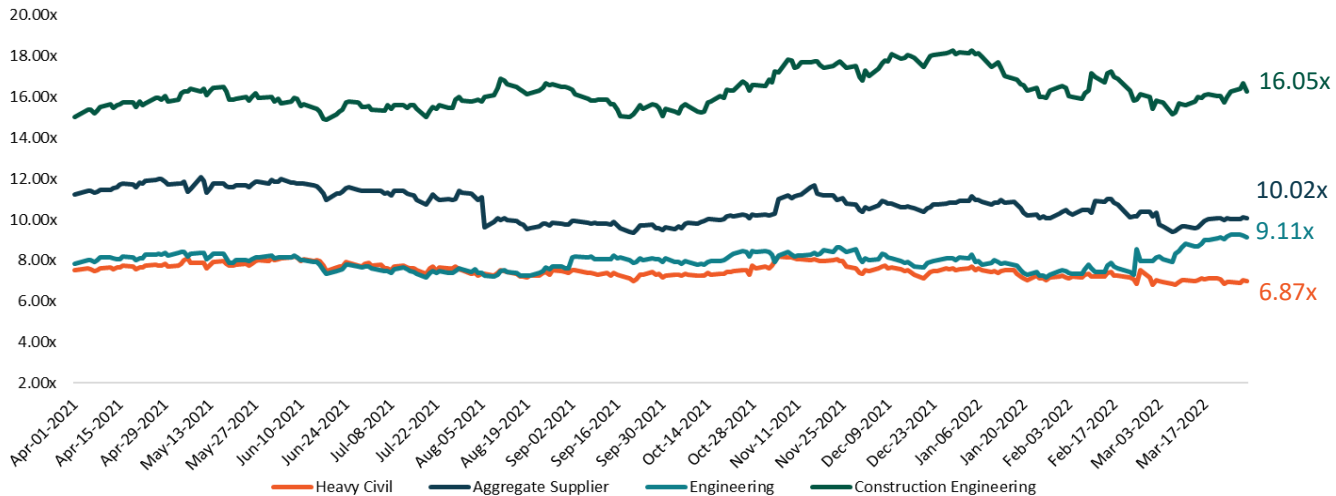
Engineering and Construction Peer Group Share Price Performance – Q1 2022



Share Price Performance – LTM



Historical LTM EV/EBITDA – LTM



Source: Capital IQ. Data as of March 31, 2022.
Further details provided on page 8.
"LTM" refers to last twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

We have selected a group of publicly traded engineering and construction entities for this high-level analysis. These public companies help act as a proxy for the industry and provide strong industry context.

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.	\$7,406	\$7,056	\$12,724	15.8%	\$1,074	8.4%	(100.0%)	N/A	8.3x	6.5x	0.6x
Primoris Services Corporation	\$1,585	\$2,366	\$4,426	0.2%	\$472	10.7%	7.1%	8.0%	6.4x	5.1x	0.5x
Construction Partners, Inc.	\$1,717	\$2,042	\$1,272	25.4%	\$134	10.5%	16.9%	11.3%	12.5x	15.5x	1.6x
Tutor Perini Corporation	\$689	\$1,772	\$5,874	(12.7%)	\$549	9.3%	0.3%	6.1%	5.1x	3.3x	0.3x
Granite Construction Incorporated	\$1,879	\$1,633	\$3,735	(2.2%)	\$181	4.8%	5.9%	7.6%	5.7x	8.5x	0.4x
Sterling Construction Company, Inc.	\$1,011	\$1,515	\$2,093	16.0%	\$223	10.7%	15.2%	10.5%	6.3x	7.2x	0.8x
Aecon Group Inc.	\$1,032	\$1,279	\$4,209	15.3%	\$161	3.8%	4.4%	6.2%	4.8x	7.5x	0.3x
Bird Construction Inc.	\$490	\$453	\$2,220	47.6%	\$122	5.5%	13.1%	4.5%	4.0x	3.7x	0.2x
Median	\$1,309	\$1,703	\$3,972	15.6%	\$202	8.9%	6.5%	7.6%	6.0x	6.9x	0.5x
Mean	\$1,976	\$2,264	\$4,569	13.2%	\$364	8.0%	(4.6%)	7.8%	6.6x	7.2x	0.6x
Engineering											
Jacobs Engineering Group Inc.	\$22,232	\$26,509	\$17,980	4.9%	\$2,176	12.1%	12.4%	9.5%	14.6x	13.5x	1.5x
WSP Global Inc.	\$19,564	\$21,422	\$10,279	16.8%	\$1,245	12.1%	(16.1%)	17.1%	14.5x	17.2x	2.1x
AECOM	\$13,554	\$16,110	\$16,824	(0.2%)	\$1,373	8.2%	7.5%	6.5%	14.0x	11.9x	1.0x
KBR, Inc.	\$9,532	\$11,745	\$9,478	33.4%	\$1,087	11.5%	(9.2%)	10.1%	14.5x	10.5x	1.3x
Stantec Inc.	\$6,986	\$8,694	\$3,636	(1.3%)	\$527	14.5%	19.5%	15.9%	12.6x	16.5x	2.4x
SNC-Lavalin Group Inc.	\$5,284	\$6,857	\$7,371	5.2%	\$479	6.5%	0.3%	9.2%	9.7x	14.3x	0.9x
Fluor Corporation	\$5,058	\$3,971	\$15,736	(12.2%)	\$528	3.4%	11.2%	3.2%	7.2x	7.6x	0.3x
NV5 Global, Inc.	\$2,571	\$2,733	\$894	7.2%	\$176	19.7%	12.6%	18.4%	15.3x	15.7x	3.1x
Willdan Group, Inc.	\$493	\$626	\$448	(9.5%)	\$23	5.2%	31.4%	9.1%	12.0x	27.3x	1.4x
Mistras Group, Inc.	\$244	\$539	\$855	16.7%	\$84	9.8%	8.2%	9.1%	6.3x	6.2x	0.6x
Median	\$6,135	\$7,776	\$8,425	5.0%	\$528	10.6%	9.7%	9.4%	13.3x	13.9x	1.3x
Mean	\$8,552	\$9,921	\$8,350	6.1%	\$770	10.3%	7.8%	10.8%	12.1x	14.1x	1.5x
Construction Engineering											
Quanta Services, Inc.	\$23,445	\$28,162	\$16,426	15.9%	\$2,448	14.9%	26.6%	10.1%	13.8x	11.7x	1.7x
MasTec, Inc.	\$8,121	\$10,520	\$10,063	25.8%	\$1,876	18.6%	25.4%	9.6%	8.9x	5.7x	1.1x
Dycom Industries, Inc.	\$3,522	\$4,242	\$3,995	(2.1%)	\$378	9.5%	9.0%	9.8%	10.2x	11.5x	1.1x
MYR Group Inc.	\$1,991	\$1,920	\$3,174	9.5%	\$216	6.8%	14.0%	6.6%	8.6x	8.9x	0.6x
Argan, Inc.	\$796	\$201	\$648	29.9%	\$88	13.6%	11.8%	9.5%	2.4x	2.2x	0.3x
Median	\$3,522	\$4,242	\$3,995	15.9%	\$378	13.6%	14.0%	9.6%	8.9x	8.9x	1.1x
Mean	\$7,575	\$9,009	\$6,861	15.8%	\$1,001	12.7%	17.3%	9.1%	8.8x	8.0x	1.0x
Aggregate Supplier											
Martin Marietta Materials, Inc.	\$29,982	\$36,827	\$6,658	19.5%	\$1,840	27.6%	21.5%	28.5%	16.7x	18.4x	5.8x
Vulcan Materials Company	\$30,455	\$36,017	\$7,521	23.6%	\$1,953	26.0%	22.1%	25.4%	16.3x	19.1x	5.2x
Eagle Materials Inc.	\$6,331	\$7,401	\$2,267	13.1%	\$783	34.5%	12.3%	35.4%	8.3x	9.6x	3.3x
Summit Materials, Inc.	\$4,604	\$6,220	\$3,049	3.3%	\$683	22.4%	0.5%	22.6%	9.1x	9.2x	2.1x
Median	\$18,156	\$21,709	\$4,854	16.3%	\$1,312	26.8%	16.9%	26.9%	12.7x	14.0x	4.3x
Mean	\$17,843	\$21,616	\$4,874	14.9%	\$1,315	27.6%	14.1%	28.0%	12.6x	14.1x	4.1x

About Us



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

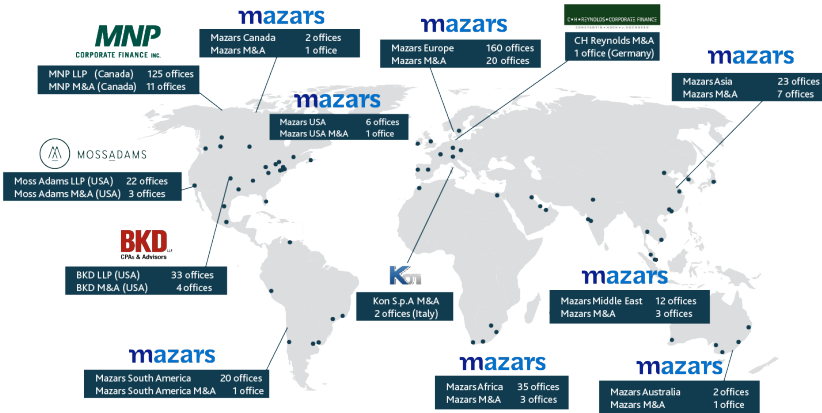
Our typical transactions range in value between \$3 million and \$300 million.

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)

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 eight years alone we have completed over 200 transactions worth over \$3.5 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

Recently Closed Deals (National)



MNP
CORPORATE FINANCE INC.

CROSS COUNTRY
SUPPLIES & SERVICES

has acquired the Canadian assets of

CROSS COUNTRY
INFRASTRUCTURE SERVICES INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Cross Country Canada Supplies & Rentals Inc. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

SAGE
CAPITAL PARTNERS

has acquired

BRAIN POWER
ENRICHMENT

MNP Corporate Finance Inc. acted as exclusive financial advisor to Brain Power Enrichment Programs Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

E360S
Environmental Management

has acquired

ONE
ENVIRONMENTAL

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



MNP
CORPORATE FINANCE INC.

TRUSSPOINT
EQUITY PARTNERS

has acquired

JDI
CLEANING SYSTEMS

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



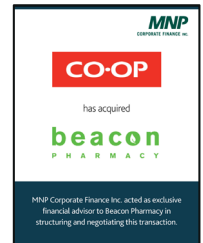
MNP
CORPORATE FINANCE INC.

CIEL
CAPITAL

has acquired

GENERAL
KINETICS

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



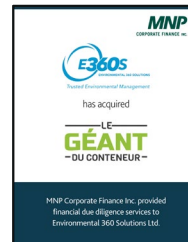
MNP
CORPORATE FINANCE INC.

CO-OP

has acquired

beacon
PHARMACY

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



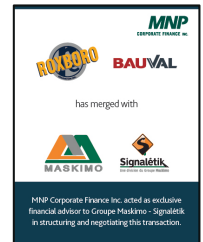
MNP
CORPORATE FINANCE INC.

E360S
Environmental Management

has acquired

GEANT
DU CONTENEUR

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



MNP
CORPORATE FINANCE INC.

RIMBRO **BAUVAL**

has merged with

MAKIMO **Signalétik**

MNP Corporate Finance Inc. acted as exclusive financial advisor to Groupe Makimo - Signalétik in structuring and negotiating this transaction.



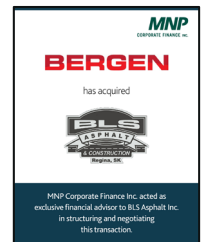
MNP
CORPORATE FINANCE INC.

GraybaR
CANADA

has acquired

ELECTROMAG

MNP Corporate Finance Inc. provided financial and tax due diligence services to GraybaR Canada Ltd.



MNP
CORPORATE FINANCE INC.

BERGEN

has acquired

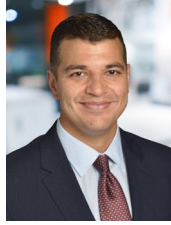
BLS
ASPHALT
CONSTRUCTION

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

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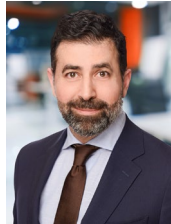
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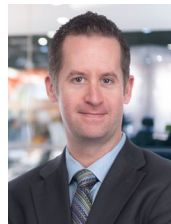


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